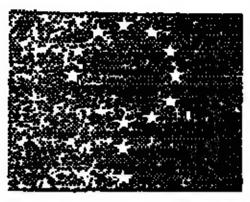

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Bundesbank cut in key discount rate expected

The Bundesbank will cut its leading lending rate this week, chief economists at all Germany's 12 biggest banks have predicted, even though conditions in the economy have not improved since the central bank's last meeting at the end of July.

Nine of the dozen questioned in a poll, which closed last Friday, said they expected a half-point cut in the key discount rate, currently 6.75 per cent. Page 2

China takes outside advice on economy: Zhu Rongji, China's vice-premier in charge of the economy, acted to slow the country's rapid economic growth after recommendations from international advisers. Page 12; China and Vietnam open talks, Page 3; Editorial Comment, Page 11

Bosnia peace map attacked: Bosnia's foreign minister Haris Silajdzic denounced the map put forward last week at the Geneva peace talks for "rewarding the aggressor, and punishing the victim". Page 12; Genocide claim, Page 2

EC reform agenda: Plans for radical reforms of the main European Community institutions, including new rules for majority voting in the council of ministers, have been drawn up in Germany. Page 12; Difficult birth pangs, Page 11

Wallenberg kidnap plot alleged

Three Russians and a Swede, armed with pistols and a hand grenade, were seized by police on suspicion of planning to kidnap industrialist Peter Wallenberg, left, from his mansion on the island of Varmdo, near Stockholm, and hold him to ransom. Page 2

Strong yen hits Honda: The rapid appreciation of the yen and weak demand in leading markets depressed first-quarter results at Honda, the Japanese carmaker, with pre-tax profits falling to Y15.3bn ($146m), less than half their previous level. Page 13; Nissan likely to cut UK output target. Page 6

Mars probe hopes fade: Hopes of salvaging the $980m Mars Observer mission dwindled as US space scientists failed to re-establish radio contact with the spacecraft, which seems destined to head on into space. Page 4

Deere: Earnings at the US agricultural equipment manufacturer surged to $100.1m in the third quarter amid signs that confidence is returning in the North American agricultural economy in spite of record rains in the Midwest and drought in the south-east. Page 13

Svenska Handelsbanken announced plans to raise nearly SKr2.7bn ($333m) from shareholders after a strong recovery in first-half operating profits. The Swedish bank wants to be able to meet increased loan demand as the Nordic economies recover. Page 13

Gatt pledge: Klaus Kinkel, German foreign minister, and his French counterpart, Alain Juppé, expressed their joint determination to reach a rapid settlement of the Uruguay Round of talks on world trade. Page 4

Telekom sell-off sought: The chairman of Deutsche Telekom, Germany's state-owned telecommunications group, pleaded for urgent political support for early privatisation of the company. Page 2

Angola war deaths warning: The UN special envoy to Angola, in Zimbabwe to revive peace talks, said 1,000 people were dying each day directly or indirectly because of the war.

UN's clean-up chief: The United Nations appointed Mohamed Aly Niazi as senior investigator to examine persistent charges of fraud, waste and corruption in the organisation. Page 4

Babangida poised to go: Nigeria's military rulers completed plans for an interim government to end the country's severe political crisis after aides said Ibrahim Babangida would relinquish power tomorrow.

U-boat salvage hold-up: Difficulties in lifting a German U-boat raised after a successful salvage operation in Danish waters on to a barge have delayed the opening of the vessel.

Michael Jackson inquiries: Police have searched singer Michael Jackson's home in a criminal investigation believed to arise out allegations of child abuse.

■ STOCK MARKET INDICES

FT-SE 100:	3049.3	(+7.3)
Yield	3.76	
FT-SE Eurotrack 100	1296.82	(+4.99)
FT-A All-Share	1514.44	(+0.2%)
Nikkei	20,431.84	(+17.70)
New York lunchtime:		
Dow Jones Ind Ave	3622.19	(+16.21)
S&P Composite	457.13	(+1.90)

■ US LUNCHTIME RATES

Federal Funds:	2 13/16%
3-mo Treas Bills: Yld	3.055%
Long Bond	100 9/32
Yield	6.227%

■ LONDON MONEY

3-mo Interbank	5 7/8%	(same)
Liffe long gilt future:	Sep 112 13/32	(Sep 112 12/32)

■ NORTH SEA OIL (Argus)

Brent 15-day Oct	$17.24	(17.095)

■ Gold

New York Comex Dec	$374.9	(372.5)
London	$373.45	(374.0)

■ STERLING

New York lunchtime:		
$	1.498	
London:		
$	1.4965	(1.5025)
DM	2.5175	(2.5375)
FFr	8.7625	(8.8425)
SFr	2.2125	(2.2325)
Y	156.25	(same)
£ Index	80.7	(81.4)

■ DOLLAR

New York lunchtime:		
DM	1.6795	
FFr	5.847	
SFr	1.4755	
Y	103.85	
London:		
DM	1.6815	(1.6885)
FFr	5.855	(5.885)
SFr	1.4785	(1.4865)
Y	103.7	(103.25)
$ Index	65.4	(65.5)

Tokyo close Y 103.97

Austria	Sch30	Germany	DM3.30	Malta	Lm0.60	S.Arabia	SR11
Bahrain	Din1.250	Greece	Dr300	Morocco	MDh13	Singapore	S$4.10
Belgium	BFr65	Hungary	Ft185	Neth	Fl 3.75	Slovak Rp	KSL45
Bulgaria	Lw25.00	Iceland	IKr215	Nigeria	Naira45	Slovenia	SLT220
Croatia	HRD5700	India	Rs40	Norway	NKr16.00	South Africa	R12.00
Cyprus	C£1.00	Israel	Shk5.90	Oman	OR1.50	Spain	Pta210
Czech Rp	CZK45	Italy	L2700	Pakistan	Rs35	Sweden	SKr15
Denmark	DKr15	Jordan	JD1.50	Philippines	Pso45	Switz	SFr3.20
Egypt	E£4.50	Kuwait	Fils600	Poland	Zl 22,000	Syria	S£50.00
Finland	FM12	Lebanon	US$1.25	Portugal	Esc215	Tunisia	Din1.250
France	FFr9.00	Lux	LFr65	Qatar	QR12.00	Turkey	L8000
						UAE	Dh11.00

IBM plan to clone microchip threatens legal row

By Louise Kehoe in San Francisco

A LEGAL battle is brewing in the US after a decision by International Business Machines to clone a version of Intel's top-selling microprocessor chip.

As well as a legal fall-out between two of the world's leading computer and microprocessor companies, IBM's move threatens one of the industry's longest-lasting technology partnerships.

IBM, normally a conservative company, has become increasingly aggressive in its efforts to restore profitability since the arrival of Mr Lou Gerstner, its new chairman and chief executive, in April.

Intel has become the world's largest semiconductor manufacturer largely as a result of the success of its microprocessors, which were chosen by IBM as the brains of its first PCs over a decade ago. Since then the Intel chips have become the standard for all "IBM-compatible" PCs.

Yet while Intel has earned record profits from its microprocessors, IBM's PC business operated for several years at a loss and only recently achieved a "very small" quarterly profit.

For IBM, cloning the Intel chips seems to represent an attempt to take control of its own destiny and boost the profitability of its PC business.

IBM declined to comment on its decision. However, the company is believed to have efforts under way to produce "clean room" versions of Intel's 486 and new high-performance Pentium microprocessors.

The "clean room" approach, which has been used by other chip companies to produce Intel microprocessor "work-alikes", involves isolating designers from any access to Intel technology so that they must start from scratch to create a chip that emulates the functions of the original.

Yet Intel has raised legal challenges to all other efforts to clone its microprocessors. Mr Tom Dunlap, Intel general counsel, has said in the past that he does not believe that it is possible for any company legally to clone Intel's chips.

The IBM cloning effort is believed to be in its early stages, and industry analysts point out that it is not certain to lead to the release of products.

However, if IBM pursues the project it runs the risk of a legal challenge from Intel, one of its most important chip suppliers. IBM is also Intel's largest customer. This partnership has given IBM unprecedented access to Intel's technology. IBM is licensed by Intel to produce Intel-designed microprocessors. However, the terms of the licensing arrangement restrict IBM to selling these chips only as components of PCs or circuit boards.

Mercedes to cut 14,000 more jobs next year

Bus and trucks divisions face forced redundancies

By Christopher Parkes in Frankfurt

MERCEDES-BENZ, the luxury car and commercial vehicles maker, aims to cut more than DM1bn ($594m) from its labour costs by shedding a further 14,000 jobs in Germany next year and reducing employee benefits.

The company, which opened talks on the cuts package with workers' representatives yesterday, suggested further steps could be needed, and warned that forced redundancies in administration and the bus and trucks divisions might be unavoidable.

Company-paid benefits for the remaining workforce would in future focus on health and pension contributions, it said in a statement. Traditional Christmas and other bonuses would be linked to group performance, and other payments "out of keeping with the times" would no longer be paid.

The proposed workforce cuts follow a reduction of 14,700 in the domestic payroll in 1992 and the planned loss of a further 7,000 jobs this year.

The threat of possible redundancies, virtually unknown in German industry, suggests that traditional means of cutting jobs – early retirement and natural wastage – are no longer sufficient.

The proposed cuts in benefits, which follow similar savings tactics pioneered recently by Bosch, the leading motor components maker, demonstrate growing confidence that industry can attack time-honoured perks.

It is common for German paintshop workers, for example, to be granted extra paid leave to take annual "cures" in spa towns, even though working conditions and health protection have improved dramatically since such schemes were introduced. In common with other German vehicle makers, Mercedes has discovered that medium-term savings plans put forward last year are insufficient to counter the impact of the motor industry slump.

Springtime forecasts that the German market would shrink by 20 per cent and overall European sales by 10 per cent have been proved over-optimistic.

While total car sales in western Europe fell 18 per cent in the first seven months of this year – due partly to a 25 per cent drop in Germany – deliveries of Mercedes models tumbled by more than 27 per cent.

According to VDA figures, first-half production of light trucks in Germany factories fell 34 per cent, while output of other commercial vehicles dropped 36 per cent. Mr Achim Diekmann, director of Germany's VDA automotive industry association, said recently that 100,000 jobs would have to go by the middle of 1995.

Volkswagen, Europe's leading volume carmaker, which is struggling to return to profit, is currently negotiating 3,000 further job cuts in its domestic factories.

Yesterday's news from Mercedes, the main source of profits for its parent Daimler-Benz, suggests the group management is struggling to meet its target of a DM1bn profit this year.

Nissan warning, Page 6
Honda profits fall, Page 14

Trevor Humphries

Hisham Al-Shawi (left) and Hamad Al-Jubouri tell a London press conference yesterday of the Iraqi regime's 'continuous terror campaign'

Iraqi diplomats quit and flee to UK

By Rachel Johnson in London and Mark Nicholson in Cairo

TWO senior Iraqi ambassadors yesterday inflicted a propaganda blow against President Saddam Hussein by resigning their posts and joining the Iraqi National Congress, the umbrella opposition group.

The two explained in highly critical and emotional statements that they had fled to the UK because of the "continuous terror campaign" of the Iraqi regime.

Mr Hisham Ibrahim Al-Shawi, a former ambassador to Britain and until yesterday ambassador to Canada, and Mr Hamed Alwan Al-Jubouri, until last week ambassador to Tunisia, said they wanted to live in England with their families, despite possible reprisals after their public condemnation of the Iraqi government

The Home Office said it had granted the two visitor's visas for a six-month stay rather than political asylum, but it would comment no further.

Mr Al-Shawi, 62, said the Iraqi regime had "no other objective but the maintenance of its tyrannical power, notwithstanding defeat, disgrace and total ruin".

Mr Al-Jubouri, 61, accused the regime of dragging the country into two destructive wars. "In record time, in what seemed like a frightening nightmare, it destroyed a once strong and prosperous country, leaving it morally and financially bankrupt," he said.

Iraqi analysts suggested that the defections indicated a "peripheral" weakening of Saddam Hussein's regime and another sign of the harsh effects of the sustained economic embargo against Baghdad.

According to one British official, the defections show that "Saddam is on a pinnacle of power, and parts of that pinnacle are starting to erode – but so far it's only an indication of weakness".

Mr Al-Shawi said he had placed £240,700 of the Ottawa Embassy's operational expenses that "rightly belongs to the Iraqi people" in a secure trust until after the downfall of the dictator.

Both diplomats refused to be drawn on the two issues that most concern Middle East analysts – Saddam's rearmament programme in defiance of United Nations sanctions after the Gulf war and the strength of anti-Saddam opposition within Iraq.

They refused to say whether they had agreed to be interrogated by M16 or whether other senior members of Saddam's regime would follow them into the opposition.

Most analysts regard the pair, though distinguished and long-serving, as already out of Baghdad's inner circle. Neither had been to Iraq for several years and would not have been privy to the inner workings of the regime nor sensitive military information.

Their actions underlined disaffection within what remained of the diplomatic corps given severe cuts in pay and perks for overseas officers as a consequence of Iraq's shortage of hard currency.

But the defections will be regarded as a significant coup by the INC, the chief umbrella opposition group, which was created last year to unite the main Kurdish and exiled Shia opposition groups and to oust Saddam.

ABB restructures board to strengthen competitiveness

By Ian Rodger in Zurich

ABB Asea Brown Boveri, the world's largest power engineering group, is restructuring its executive board to strengthen its competitiveness in bids for complex turnkey projects.

The decision will also help the group adapt to the emergence of large regional trading blocks.

The board's membership is being cut from 12 to eight, and the group's six operating divisions reduced to four. Three directors will have regional responsibilities for the Americas, Europe and Asia.

Mr Percy Barnevik, the ABB chief executive, said that large plant projects account for about a quarter of the group's $32bn annual turnover, and the growth potential was considerable.

The creation of regional directors reflected the emergence of increasing trade within the important blocks and less trading between them. Mr Barnevik found the trend regrettable, but said "if you want to be a global player, you have to have a major presence in each".

Mr Alexis Fries, the new regional director for Asia, will be based in Hong Kong, Mr Gerhard Schulmeyer, the director for the Americas, in Stamford, Connecticut, and Mr Eberhard von Koerber, the European director, at group headquarters in Zurich.

Until now, the group has had executive directors with responsibility for Sweden, Switzerland and Germany, where its main plants are located. Mr Barnevik said these directors sometimes defended parochial interests. That was no longer appropriate.

He said the reorganisation was only partially related to the announcement last week of an acceleration of plant closure plans. The group is making a $500m provision against this year's earnings to cover closure costs.

Mr Barnevik said the creation of the North American Free Trade Area had contributed to the restructuring. It also enabled the group to accelerate plant rationalisations between Canada and the US. The easing of trade restrictions within Europe had had similar repercussions.

Some 15 plants would be closed in Europe and North America in the next few months, he added.

ABB managers strip for action, Page 14

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Bundesbank discount rate cut expected

By Christopher Parkes in Frankfurt

THE chief economists at Germany's 12 biggest banks all expect the Bundesbank to cut its leading lending rate this week, even though conditions have failed to improve since the central bank's last meeting at the end of July.

Nine of the dozen questioned in a poll, which closed last Friday, said they expected a reduction of half a percentage point in the key discount rate, currently at 6.75 per cent.

However, inflation is still stuck above 4 per cent, according to the latest indications, while money supply growth seems likely to remain well above the central bank's target range for some months yet.

The cost-of-living index in Baden-Württemberg edged up 0.1 per cent in the month to mid-August, state officials reported yesterday, bringing the year-on-year increase to 4.3 per cent, compared with 4.2 per cent in July.

New money supply figures are not expected this week, but the effects of heavy buying of weak currencies in the European exchange rate mechanism – before the widening of fluctuation bands three weeks ago – are expected to drive the annualised growth rate in the M3 measure above July's 7.5 per cent.

The bank's target range for this year allows for growth between 4.5 per cent and 6.5 per cent.

Mr Hans Tietmeyer, Bundesbank president-elect, dropped mild hints last weekend when he said small rate cuts were possible provided the trend in the money stock permitted them and inflation declined slightly in the near future.

Observers suggested the bank could justify a drop in the discount rate tomorrow if it filtered out the distorting effects of money market interventions on M3. The policy council has also recently shown itself to be more interested in short-term inflation trends than in the conventional figures.

According to informal analyses, the annualised rate for the past three months could be as low as 3 per cent in August compared with 3.4 per cent in July.

However, non-German economists suggested a rate cut this week was unlikely because fundamental conditions had not changed in the past month, and that international pressure had eased greatly since the widening of ERM fluctuation bands.

The Bundesbank's announcement yesterday of a fixed-rate offering of securities repurchase agreements at an unchanged 6.80 per cent gave no clues to its intentions for Thursday, analysts said.

Telekom urges more MPs to support sell-off

By Ariane Genillard in Bonn

MR HELMUT RICKE, the chairman of Deutsche Telekom, Germany's state-owned telecommunications group, yesterday pleaded for urgent political support for early privatisation of the company.

"There is not much time left... [before] the emergence of fully liberalised markets and ever stiffer competition," Mr Ricke said, referring to the European Commission's decision to liberalise basic voice telephony markets in Europe by 1998.

Mr Ricke told a news conference that Deutsche Telekom faced an uphill struggle trying to increase its competitiveness because of its status as a public company.

It is legally required to transfer the bulk of its profits to the state budget each year and to cover the ever-growing deficits of the German post and postal bank.

"We have made enormous progress toward increasing our competitiveness," he said. "However, we are not able, on our own, to implement all the measures that have now become urgently required... It is therefore imperative that public policy lead to a joint-stock corporation which can trade its shares on the stock market."

MPs will debate this autumn a controversial privatisation bill which emerged after two years of wrangling between Germany's political parties. The bill has won the support of the leadership of the opposition Social Democrats (SPD). But it still needs backing from ordinary SPD MPs.

If adopted, the bill would allow Deutsche Telekom to sell a first tranche of shares on the stock exchange by 1996 or 1997. It would would also be able to keep its profits.

Mr Ricke said the first tranche of shares would amount to DM15bn (£5.8bn). He also warned that Deutsche Telekom could not continue to subsidise the postal system at the same time as rebuilding the telecommunications infrastructure in eastern Germany and preparing for increased competition.

> 'Telekom could not continue to subsidise the federal postal system when it had to rebuild the telecom infrastructure in eastern Germany'

Revenues for 1993 are expected to reach DM58bn from DM54bn in 1992. Last year the company had to transfer DM6.5bn of its DM7bn profit to the federal and postal budgets. "The political decision-making bodies must ensure that our enterprise can continue at an accelerated pace on the course it is steering with a view to 1998," Mr Ricke said. "We are now dependent on new conditions being established so that we will be able to operate with the greatest entrepreneurial freedom."

Russia 'too kind' to Lithuania

By Leyla Boulton in Moscow

RUSSIA said yesterday it had been "too kind" towards Lithuania in agreeing a troop withdrawal timetable before signing a formal treaty on the pull-out.

Mr Vitaly Churkin, deputy foreign minister, said Russia had decided not to meet an August 31 deadline for completing the troop withdrawal after Lithuania turned up at weekend negotiations, which had been expected to conclude the treaty, with a new demand that Russia make amends for five decades of Soviet rule.

"We have shown perhaps excessive kindness to Lithuania for which we are perhaps now having to pay," he said.

Some western diplomats suggested that in demanding the new concessions, Lithuania wanted to exploit a US congressional amendment tying a speedy Russian military withdrawal from the Baltics to US aid to Russia.

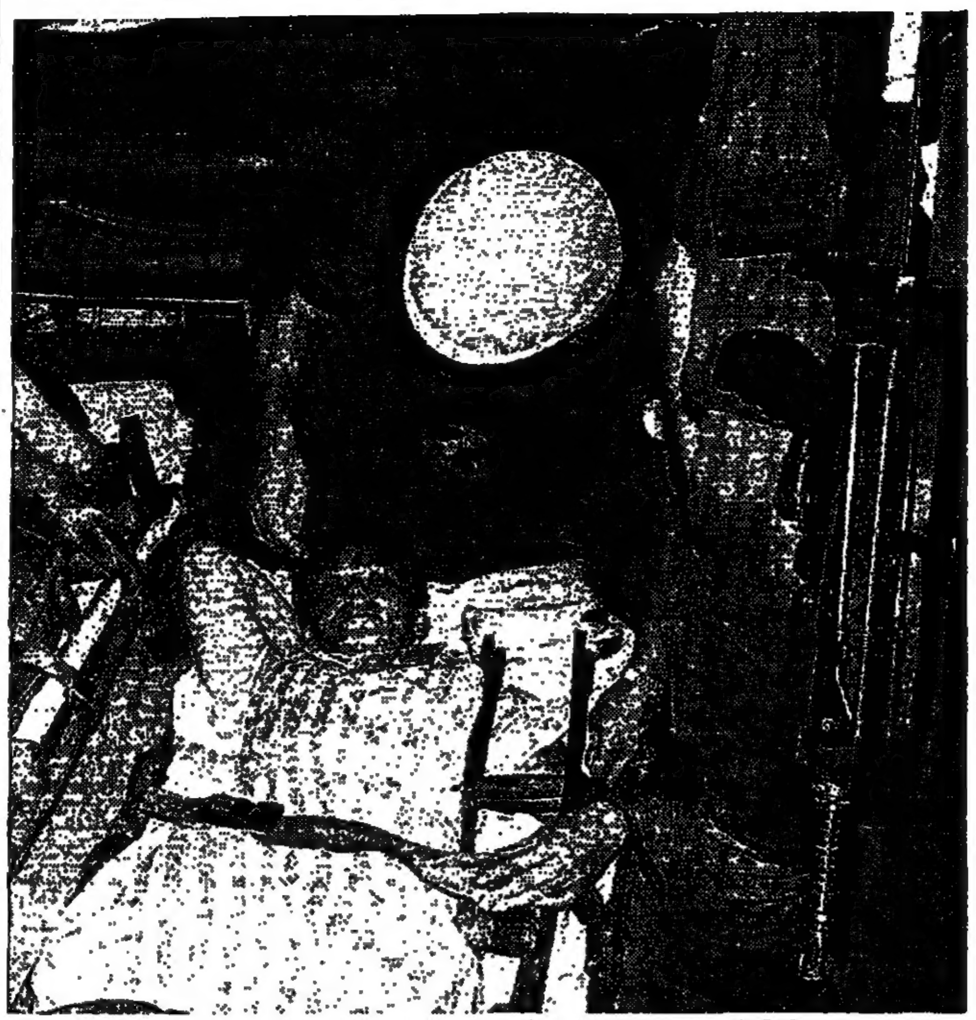
Although Mr Churkin did not mention this, Russia is clearly anxious to avoid being put in a position of appearing to be under US pressure. Nor does it want to apologise for Lithuania's annexation by the Soviet Union, saying Russia was also a victim of the Soviet system of which it was the main component.

The original formal treaty stipulated that Russia would compensate Lithuania only for material damage caused in the course of the withdrawal and possibly also for damage incurred after January 1992, when Russia declared itself the successor state to the Soviet Union.

It was also to transfer some former Soviet army equipment to Lithuania's newly-formed defence forces.

Mr Churkin said that the harshness of a statement telling Lithuania that Moscow would now pull out at a time convenient to itself was designed to discourage neighbouring Latvia and Estonia from also demanding compensation for Soviet actions. He said he believed the new demands were part of a "domestic political struggle". He pointed to the fact that the Lithuanian delegation was dominated by officials close to the radical opposition led by the republic's former leader, Mr Vytautas Landsbergis.

The aim, he said, was to present the more moderate, pro-Russian government of newly-elected President Algirdas Brazauskas as incapable of standing up to Moscow.



A wounded Bosnian woman being taken to Sarajevo airport for evacuation to Italy Associated Press

Croats urged to let in aid

GERMANY and France sought yesterday to demonstrate a common approach to the war in former Yugoslavia, issuing a joint appeal to Mr Franjo Tudjman, the president of Croatia, to enable emergency relief to get through to Bosnian Moslems in Mostar, Our Foreign Staff reports.

Foreign ministers Mr Klaus Kinkel of Germany and Mr Alain Juppé of France, speaking after a day of talks in Dresden, said they would also urge Mr Tudjman to ensure that Croat forces held back in the Krajina region of Bosnia.

"At the least, the delivery of humanitarian aid must be facilitated by the Croat side," Mr Juppé said.

He said the two countries would approach Mr Tudjman through diplomatic channels, adding: "I think a joint demarche by France and Germany could have influence." Mr Kinkel said the two countries, whose approaches to former Yugoslavia have diverged because Paris has troops there while Germany's laws bar it from sending soldiers, would co-ordinate their policies more closely.

Both countries supported the efforts of the United Nations to find a negotiated peace in Bosnia and urged the three warring parties to co-operate with UN officials.

Washington has also continued to raise the tone of its warnings to the Croats. Last week the State Department said economic sanctions against Croatia were under consideration, but not military action. This week, however, US officials have said that a warning of possible air strikes issued by Nato applied not only to the Serbs but also to other groups preventing the delivery of humanitarian relief.

Gatt pledge, Page 4

OBITUARY: JOHN WALKER

FT's pioneer in Sweden

By Hilary Barnes in Copenhagen

JOHN WALKER, who was the Financial Times correspondent in Stockholm from 1963 to 1974 and continued to contribute to the paper for another eight years, died in Stockholm on August 11, aged 72.

He had three great enthusiasms in life: the Financial Times, vintage cars, about which he was an expert, and fishing. In London, where he was a freelance journalist and worked in public relations before joining the FT, he was the proud owner of a vintage Bentley, which, however, did not follow him to Stockholm.

He joined the paper at a time when its foreign coverage was expanding rapidly and he pioneered the development of the extensive coverage of Swedish – and Nordic – business on which his successors in Stockholm have built.

He used to say that it was his love of fishing which led to his job with the FT. It was an enthusiasm he shared with the editor of the paper at the time, Sir Gordon Newton, who recruited him. Sweden, with its many fast-flowing rivers and the Stockholm archipelago at his doorstep, was an ideal posting for him.

He was forced into partial retirement in 1974 by the onset of Parkinson's disease, but he continued to work part-time and to file to the paper until 1982.

John Walker was born in Sandgate, Kent, on November 11, 1920, went to school in Dover and served as an officer in the Royal Air Force during the second world war.

He was nursed through his long illness by his Swedish wife, Ann, who survives him. He has a son, Peter, by his first marriage.

Hague court to hear Bosnia genocide claim

By Gillian Tett

THE International Court of Justice in the Hague will consider today Bosnian accusations that Serbs have been carrying out a campaign of territorial expansion through "ethnic cleansing" and genocide.

A similar application by the Bosnians four months ago resulted in a court order to stop the genocide.

Legal officials in The Hague say a decision on the case is unlikely for several days, not least because the court will simultaneously be considering similar accusations from Serbia of genocide carried out by Moslems.

The International Court of Justice, which is made up of 15 permanent judges, plus a further two nominated by the parties involved, does not have any powers to enforce its orders, although its decisions have traditionally carried some diplomatic weight.

However, though few expect the court's ruling to have much effect on the forces on the ground, the hearing is likely to fuel a wider diplomatic debate about attempts to bring legal retribution to bear in Bosnia.

Next month the United Nations general assembly is expected to name 11 judges who will sit on the UN war crimes tribunal on former Yugoslavia.

Meanwhile, in a separate move, the International Red Cross (ICRC) has called a conference in Geneva on August 30 to discuss the treatment of war victims.

The organisers claim the conference has been called to raise awareness of the Geneva conventions, with participants expected from more than 100 countries.

But ironically, the ICRC's tradition of neutrality has left it refusing to co-operate with UN investigators seeking evidence of war crimes.

The ICRC insists that collaborating with a Bosnian war crimes tribunal would sully its traditional reputation of neutrality – a problem that Mr Christian Kornevall, head of communications at the ICRC, sums up as a dilemma of "whether to act or speak".

In the wake of accusations earlier this year that the ICRC had been slow to reveal the existence of detention camps in Bosnia, Mr Kornevall admitted that there was now a growing debate within the ICRC about their policy towards the media – a development which appears to have contributed to the decision to call the conference later this month.

With other European governments increasingly reluctant to dwell too much on the issue – particularly when the west is pressing for adoption of a peace plan – there are fears at the UN war crimes council, formed seven months ago to collect information, that attempts to build a case could ultimately be undermined by a reluctance to submit evidence.

Although the US has already submitted extensive material on war crimes in Bosnia to the UN, Britain has come under attack for its apparent delays in providing evidence.

However, the Foreign Office yesterday denied that Britain was reluctant to co-operate fully and said the delays had been due to its insistence that all material should be thoroughly verified.

"This is a very complicated process. Apart from the Nuremberg trials, which were really a very different thing, there has never been a case like this before," a spokesman said.

Fewer Norwegians want to join EC

By Karen Fossli in Oslo

NORWEGIAN opposition to European Community membership has risen in the run-up to next month's parliamentary elections, a Gallup poll published yesterday shows. Some 47.1 per cent of those questioned oppose membership, a rise of 1.8 percentage points in one week.

The poll, which surveyed 1,000 Norwegians, put support of membership at 28.3 per cent, a decline of 1.2 percentage points, while 24.6 per cent were undecided.

Norwegian membership in the EC is the main issue in the September 13 elections. The electorate narrowly rejected joining the EC in 1972, but Brussels and Oslo began fresh negotiations last April and a new Norwegian referendum could be held in 1995.

The poll, in the Conservative newspaper Aftenposten one week after the campaign started, showed popularity of the pro-EC Conservative party down 2.9 percentage points to 20.3 per cent. The ruling Labour party, whose minority government applied for EC membership, advanced 1.2 percentage points to 32.8 per cent.

Swedes foil plan to kidnap magnate

By Hugh Carnegy in Stockholm

SWEDISH police said yesterday they had arrested three Russians and a Swede, armed with pistols and a hand grenade, on suspicion of planning to kidnap Mr Peter Wallenberg, senior member of the powerful Wallenberg industrial dynasty.

Police said the men were seized outside the gates of Mr Wallenberg's mansion on the forested island of Varmdo, near Stockholm, on Monday evening after they had been spotted gathered around the entrance intercom.

Officials said they believed the men intended kidnapping Mr Wallenberg, 67, to hold him for ransom. They did not get close to the industrialist. High-profile Swedes, previously relaxed about personal security, have tightened precautions since the assassination by a still unknown gunman in 1986 of former prime minister Olaf Palme.

The authorities have expressed concern recently over the threat of a spill-over of crime from the former Soviet Union, particularly Russian mafia gangs.

Mr Wallenberg heads a family which founded much of Sweden's industrial base and holds large shareholdings in leading companies such as Ericsson, the telecommunications group, Astra, the pharmaceutical giant, Stora, Europe's biggest forestry products company, and Saab-Scania, the vehicle and aircraft maker.

He is a relative of the wartime diplomatic hero, Raoul Wallenberg, who died in prison in Moscow in 1947. He disappeared after Soviet troops entered Budapest in January 1945 after being entrusted with a special mission to save as many Jewish lives as possible.

Crime claims anger Czechs

By Patrick Blum in Prague

A CZECH police chief yesterday denied his country had become "a breeding ground for organised crime" and said it faced the same problems as other European countries in fighting drugs trafficking, the illegal arms trade, and other crime.

Mr Josef Doucha, deputy director of the Czech central criminal police,
angrily rejected press reports suggesting Prague had become a centre for international criminal groups after the collapse of communism. There had been no "sudden eruption of crime", though the Czech capital's geographical position put it in the middle of new east-west crime routes, he told CTK, the Czech news agency.

Drug smuggling had grown because the Balkan drug route from Afghanistan and Pakistan through Turkey and the Balkans and into western Europe had been disrupted by war in the former Yugoslavia. As a result the Czech Republic had become a transit route for drugs.

The illegal arms trade was also worrying. The Czech Republic produced good weapons and there were large quantities of old Semtex explosive – manufactured before last year's requirement that it be made easily detectable – in circulation. But Czech police lacked resources and experience in fighting organised crime.

The land issue that divides a united Germany

Judy Dempsey on those who are challenging the 1990 unification treaty's rule that they cannot get their property back

ALL OVER the world there are families who can recount stories of legendary battles over land: how one son was favoured over another; how siblings refused to talk to each other after a parent's will carved up property; or how one child got nothing.

In the re-united German family, a growing controversy over whether property should be returned to its former owners is generating its own legends.

When Soviet forces occupied eastern Germany in 1945, about 14,000 families farming 13,000 sq miles were ordered to leave their properties within 48 hours. Some were imprisoned on the island labour camp of Rügen, in the Baltic Sea. Others had to keep a 20-mile distance from their properties. Most fled to western Germany, and were compensated in the 1950s.

Three years ago the unification treaty created one nation out of the two Germanys. On property questions, the treaty states that "expropriations on the basis of Occupation Law [when the Soviets occupied eastern Germany between 1945-1949] are irreversible".

This means that former property owners during this period cannot get their land back – unlike those who can seek restitution or compensation for property confiscated between 1935 and 1945, and between 1949 and 1990.

Through the federal constitutional court, several former landowners challenged the unification treaty's restrictive clauses on 1945-1949 on the basis that property was not being treated equally before the law. But the court upheld the treaty on the grounds that the Soviet Union and the former German Democratic Republic had made the ban on restitution a precondition for unification.

"This is absolute nonsense," said one constitutional lawyer. "Those who are seeking to have their property returned to them can prove that no such precondition existed," he added.

Lawyers claim that documents recently obtained from Moscow show that the Soviet government never specifically made unification contingent on the 1945-49 land issue.

They say the word of the then West German government is the only evidence to support this view.

"On the one hand, passing the buck to the Soviet Union was a convenient attempt by the Bonn government to avoid paying compensation to former landowners. On the other, [Lothar] de Maiziere [the last prime minister of East Germany], was able to prevent "the Junkers", or landed gentry, from coming back," the lawyer said.

The ruling by the constitutional court, however, has not discouraged an unlikely cross-section of individuals and institutions from challenging Bonn's interpretation of the treaty. They include the Dutch government, Daimler-Benz, the Duke of Saxony-Anhalt and a German lawyer. Each claim a legal right to restitution or substantial compensation.

The Dutch government, which is acting on behalf of three families, is arguing that land owned by foreigners could not have been nationalised or expropriated by the Soviet authorities during this time.

"Under the Allied Control Council, property owned by foreigners could not be sold or expropriated or property rights transferred," said a Dutch diplomat.

For years, Dutch government tried unsuccessfully to negotiate with the former East German regime the return of this land to its original owners. Dutch diplomats thought the matter would be quickly resolved after unification. But after two "verbal notes" to the foreign ministry in Bonn, the Dutch government has still been unable to get the property back.

"Bonn says we have to be patient. It has to work out the legal aspects," a Dutch diplomat said. "We said OK. But a solution which does not return the property, or grant compensation, is unacceptable to us," he added.

Daimler-Benz, Germany's largest industrial holding, had huge investments and property in the former East Germany. It is now arguing that it has a right to reclaim this property.

"We will claim about 14m sq yards of land throughout eastern Germany," the company said. "We are doing it on behalf of our shareholders."

The Prince of Saxony-Anhalt, who is the great great grand nephew of Catherine the Great, is also trying to reclaim his property of more than 24,700 acres.

And Mr Albrecht Wendenburg, a lawyer who has no aristocratic, industrial, or diplomatic connections, is also trying to reclaim his small holdings in eastern Germany.

"People have this view that those whose property was expropriated between 1945-1949, were either raving Nazis, or else they want the property back so that they can kick out the present owners," said Mr Wendenburg.

"We are trying to establish the principle of justice and truth: that property should be treated equally before the law, and that it was Bonn, not the Soviet Union, which chose to ban any restitution," he added.

Constitutional lawyers believe that Bonn may be forced to make concessions. "This problem will not go away. The belief that it was the two German governments, and not the Soviet Union, which decided on this ban on restitution is gaining momentum. Until this matter is settled once and for all, property rights in eastern Germany will never be satisfactorily resolved, and investors will always be cautious," a lawyer said.

Nearly one in four claims on property confiscated by the Nazis, or the Communist regime in eastern Germany, have been resolved since late 1990, writes Judy Dempsey in Berlin. However, officials from the federal office responsible for the cases yesterday said it would take a decade before all outstanding claims were settled.

The claims, which relate to property confiscated between 1933 and 1945, and between 1949 and 1990, total 1.21m, and involve 2.63m titles to property ranging from large enterprises to small businesses, land and houses. Their uncertain status is seen by economists as hindering investment in the region.

From late 1990 until the end of June 1993, 28 per cent of the claims on 130,000 enterprises, including agricultural land, were resolved, while 24 per cent of the remaining 2.52m titles were also settled.

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Beijing seizes financial controls

Alexander Nicoll on the World Bank's path to cooling the economy

CHINA'S economy is, in the World Bank's terminology, "half-reformed". Its excesses have to be curbed by a delicate mix of telling people what to do – as in the old days of central planning – and indirect measures which rely more on the working of market forces.

Given the complexity of the task, it was not without reason that Mr Zhu Rongji, senior vice premier in charge of the economy, turned in June to the World Bank for advice on how to deal with the extraordinary boom which had resulted from the most recent round of market-oriented reforms.

China has long respected the bank's advice. Mr Zhu's direct request to a team of visiting economists for assistance on dealing with an overheated economy indicated its continuing influence with the Beijing government.

Before taking action to slow growth, however, he wanted to be sure that the economy was indeed overheating. The response from the World Bank was unequivocal. According to its annual study completed in June, massive growth in fixed investment was pushing up prices of raw materials at a rate of nearly 40 per cent. Real estate and securities prices were rising sharply, and excess demand was creating bottlenecks in transport and electricity.

"It is clear that the economy is now overheating, and that growth at current rates is not sustainable," the bank said. However, it believed swift action could prevent a "hard landing" and could maintain economic growth of 8 to 9 per cent – still fast, but below the heady 13 per cent pace of 1992.

For three days in June, a team of its economists – accompanied by a few foreign economists from outside the bank – conferred with Chinese officials at Dalian in north-east China on exactly what actions should be taken to cool the economy while maintaining the pace of reform.

A central theme underlying their recommendations was for the government to seize control of the financial system and of macroeconomic management, while not choking off the development of market mechanisms.

At the heart of China's problems, in their view, was the inability of the central bank, the People's Bank of China, to exert monetary control. There was little discipline over banks' lending (none at all over non-bank financial institutions), little use of interest rates as a monetary instrument and little attention paid to flows of foreign exchange. The People's Bank was itself increasingly engaged in commercial activities.

A large proportion of the reforms suggested by the team centred around the issue of financial control.

The People's Bank, they said, should be radically re-structured "to turn it into a real central bank". It should abandon all activities, such as ownership of securities companies and mutual funds, which were not the function of a central bank.

Japan yesterday announced that it had agreed to lend a total of Y138.7bn ($1.3bn) to China, in the year to next March, to promote its reforms and open-door policies, Reuter reports from Tokyo.

The loan is part of Japan's third package of yen-based loans to China, worth a total of Y810bn.

The new loan will be used for 18 projects, including five new projects. It has a 30-year term, with a 10-year grace period and a 2.6 per cent annual interest rate. The loan is not linked to contracts with Japanese companies.

Three weeks after the conference at Dalian, Mr Zhu installed himself as governor of the People's Bank and began the recommended changes.

On monetary policy itself, the foreign advisers suggested an increase of at least 3 to 5 percentage points in the one-year deposit rate and an even greater increase in lending rates.

Other interest rates should also rise with the aim of pushing all above the inflation rate, which had risen to around 14 per cent by the end of the first half. The previous increase in rates, on May 15, was judged insufficient and harmful to the banking system because deposit rates were raised by more than lending rates.

On July 11, one-year deposit rates were increased from 9.18 to 10.98 per cent, and the lending rate from 9.36 to 10.98 per cent. Three-year government bond coupons went up from 12.52 to 13.96 per cent. Thus, longer-term rates have become positive relative to inflation, though not yet short-term rates.

The economists suggested that rate increases be accompanied by a rigorous tightening of bank supervision, including a reduction of liquidity through increased reserve requirements. Credit ceilings should be enforced and applied to all lending institutions, they said.

They recommended an acceleration of moves towards a unified exchange rate. The authorities have since intervened in the swap market to bolster the yuan, encouraging those who had been hoarding foreign currencies in expectation of further weakness of the yuan to buy the Chinese currency.

The gap between the official and swap market rates has therefore narrowed.

While the measures detailed so far essentially relied upon a market response which would have the effect of slowing economic growth – such as reduced and more judicious bank lending – some direct action was also called for.

The effect of official exhortations to faster growth had been to encourage local governments all over the country to pour money into property and industrial schemes. They would give preferential tax treatment to such projects by designating the construction areas as development zones.

Financed by easy lending, these schemes contributed enormously to the economic boom, commanding huge volumes of raw materials and pushing up their prices. They also caused a loss of tax revenue, worsening an already large budget deficit.

This was a sensitive political issue because it involved wresting back to the centre some control which had been allowed to devolve to local authorities.

The economists at Dalian said they "recognise that there will be resistance to enforcing planning commission controls over investment at the local level". But their carefully worded conclusion was that "a key task for the central government at the present time is to achieve consensus on the need for a reduced investment rate".

The government has since closed many development zones and cracked down on wasteful or corrupt local plans.

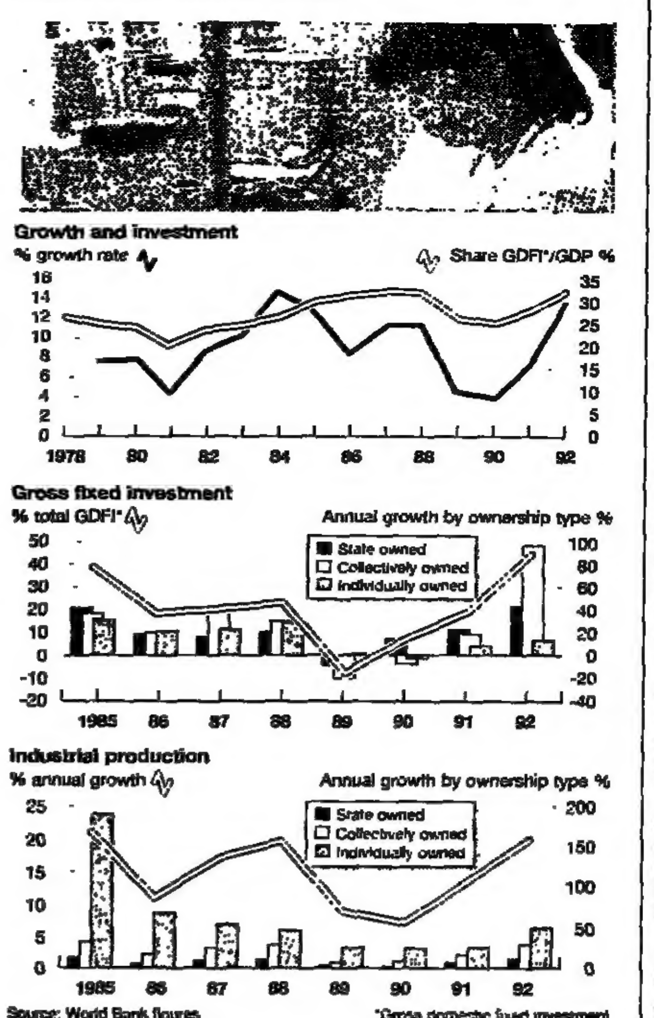
These changes represent only a small part of the World Bank's overall blueprint for Chinese economic reform. Further deregulation of prices and trade as well as re-structuring of the tax system, incomes policy, and state-owned enterprises are all recommended.

The economic boom, however, has focused the urgent attention of both China and its advisers on the financial system, an area which had so far virtually escaped reform.

Underlining its importance, the World Bank is to hold further workshops with Chinese officials next month on reforming the People's Bank and on re-structuring banks so that they are no longer involved in "policy lending" – state-directed lending for the purpose of subsidising state enterprises, or the financing of costly long-term development projects.

Although massive hurdles – both economic and political – face China's economic managers, World Bank economists believe the steps taken so far to deal with overheating are in the right direction, and they expect more. The extent to which the desired solutions depend on the market's response, however, shows how far economic reform in China has already come.

China's economic boom



Source: World Bank figures *Gross domestic fixed investment

Hongkong Bank tightens lending

By Simon Davies in Hong Kong

HONGKONG and Shanghai Bank and its subsidiary Hang Seng Bank have tightened their mortgage lending policy, following the release of government figures showing the fastest monthly growth in mortgage loans since late 1991.

However, the moves have been seen as largely cosmetic, and unlikely to hold back a property market which withstood the introduction of a 70 per cent ceiling on mortgage lending for new properties in November 1991.

The two HSBC group companies yesterday announced guidelines primarily aimed at curbing property speculation. These included an increased penalty for mortgage repayment within 12 months of a property purchase, and an end to loans against properties more than six months before they are ready for occupation.

Luxury property prices are estimated to have risen by more than 20 per cent during 1993, and there has been a significant increase in the level of sales. This has been boosted by an enormous influx of capital from mainland China, where investors have been looking for a hedge against the weakening yuan.

According to the Hong Kong government's monetary authority, total outstanding mortgage lending increased by 2.2 per cent during July, compared with an average of 1.1 per cent for the previous year. It expects a further increase during August.

The authority's deputy chief executive, Mr David Carse, yesterday encouraged the colony's banks to review lending criteria, in the light of the latest statistics.

Since mortgage lending is arguably the most profitable part of their loan portfolios, the banks will be anxious to see the property market stabilise rather than actually fall. Hongkong Bank said it would take a flexible approach to the new policy.

China and Vietnam open talks

By Tony Walker in Beijing

CHINA and Vietnam yesterday sought to open a new chapter in their vexed relations, with their first high-level talks on long-running territorial disputes, including a row over oil drilling rights in the Tonkin Gulf.

Mr Tang Jiaxuan, China's vice foreign minister, talked of a "new situation" in relations between the once close allies, and said that Beijing would "participate in the negotiations with positive, practical and constructive attitudes".

Western officials in Beijing say that while it was important that the neighbours should have resumed discussions in an apparently cordial atmosphere, significant barriers remained to an early resolution of disputes over territory both in the Tonkin Gulf, and in the South China Sea where the two sides are locked in disagreement over ownership of the Spratly Islands.

Mr Vu Khoan, Vietnam's vice foreign minister, said at a welcoming ceremony at China's state guest house that the two sides had come together to "help resolve various problems left over from history".

Agreement on this new round of talks was reached during a visit to Hanoi last December by China's Premier Li Peng. That visit was aimed at establishing a new basis of trust and understanding after the mutual antagonism of the recent past.

China, angered by Hanoi's invasion of Cambodia, launched a brief border war against Vietnam in 1979 which it described at the time as a "counter attack in self defence".

Chinese forces received a "bloody nose" at the hands of the Vietnamese.

It was not until 1991 that relations were normalised again, but lingering mistrust delayed the resumption of serious efforts to resolve their differences.

Tang Jiaxuan (right), China's vice foreign minister, before talks with his Vietnamese counterpart, Vu Khoan, in Beijing Associated Press

Japanese recovery 'hangs in balance'

By Gordon Cramb in Tokyo

THE BANK of Japan remained equivocal on the state of the domestic economy yesterday, proclaiming in its latest monthly review that "Japan's recession seems to be coming to an end", but adding that imminent recovery was not in sight.

The central bank's assessment was echoed by the economic planning agency, which said its index of current economic conditions was negative in June for the second successive month. A revival hung in the balance, it added.

After positive scores on its so-called coincident diffusion index for the three months to April, the EPA in mid-year announced that the economy had bottomed out.

Officials have since attempted to cling to this forecast and brush off fears of a double-dip, while acknowledging that conditions are not improving.

The index reading stayed at 10.0 in June, the same level as in May and down from 65.0 in April. The index of leading indicators was 36.4, its fourth month of decline.

According to the Ministry of International Trade and Industry, industrial production in the three months to June was down 1.5 per cent from the first quarter, hit by a fall in output of consumer durables.

The Bank of Japan said its assessment of latest available data showed personal spending still weak as a result of a fall in wage-earners' bonuses and a poor summer. Fixed investment by manufacturers continued to decline despite de-stocking which had "virtually run its course".

It described export demand as firm, particularly from South-East Asia, but said imports remained stagnant except for foods, textiles and machinery.

The bank intervened in currency markets again yesterday to prop up the dollar against the yen, the recent rise of which has been hurting export profitability. The yen closed in Tokyo down Y0.62 at Y103.97.

Paris upbeat over Algiers PM

FRENCH Foreign Minister Alain Juppé yesterday said Algeria's new Prime Minister Redha Malek was in favour of rescheduling his country's foreign debt, and could lead the troubled North African state to crucial economic reform, Reuter reports from Paris.

Mr Malek "was prepared to study rescheduling Algeria's debt – something his dismissed predecessor firmly opposed. This would allow Algeria to win international credits and modernise its economy," Mr Juppé said in a radio interview.

He said France was well disposed towards the new premier, a former foreign minister and ambassador to Paris, who he described as a modernist determined to reform the economy and fight Islamic fundamentalism.

"Algeria needs more economic reform and more political dialogue with democratic forces. We are prepared to help," Mr Juppé said.

Mr Malek was appointed at the weekend to replace Mr Belaid Abdesselam whose austerity policies over the past year have been denounced as a failure by political parties, trade unions and business leaders.

Some experts predict that on present trends Algeria will be unable to service its estimated $26bn foreign debt by mid-1994.

Economic reform to create jobs for the fast-growing population is seen as the key to success against Islamic fundamentalists, who would have won a parliamentary election in January 1992 if the authorities had not halted the vote.

Before Mr Belaid's dismissal, Mr Juppé had bluntly urged Algiers to speed up economic and democratic reform to put an end to a social crisis which he called very worrying.

He yesterday said in Paris he was determined to help restore stability in Algeria and would keep firm control over fundamentalists living in France.

"The government has made it quite clear that there would be no complacency towards religious extremism whose ideas are not ours and are even hostile to us," he said.

Paris has banned two magazines published in France by groups supporting Algeria's clandestine Islamic Salvation Front.

New draft of S African constitution

By Patti Waldmeir in Johannesburg

THE latest draft of South Africa's post-apartheid constitution, published yesterday, provides details for the first time of how executive power will be shared in the first government, proposing an effective white veto over areas such as the budget and national security.

The issue of power sharing within the first post-apartheid cabinet has been the subject of months of bilateral negotiations between the African National Congress and government. Yesterday's draft constitution effectively proposes that Mr Nelson Mandela, president of the ANC, should be South Africa's president and Mr F.W. de Klerk, the current president, the vice or deputy president.

It stipulates that decisions within the cabinet should be taken by a special majority – yet to be set – and that in matters of budget, finance and national security, both the president and vice-president would have to agree. This would give the ruling National party, whose support is expected to be overwhelmingly white, an effective veto in these matters.

The draft proposes that parties gain cabinet representation in proportion to their share of the vote in elections to parliament. It is understood Mr de Klerk opposes the idea of a deputy presidency, insisting on a more equal relationship between the leader of the majority party and others within the coalition.

Reuter

A supporter of Togolese President Gnassingbe Eyadema wears an Eyadema cap and holds a poster of him during a rally in Lomé yesterday.
The main opposition alliance – COD 2 – has called for a boycott of today's elections that Mr Eyadema seems determined to hold despite the withdrawal of his two chief opponents. COD 2 said that many irregularities had marred the preparations for the vote.

Babangida's ambiguous gift

Leslie Crawford and Paul Adams on a Nigerian farewell

NOT FOR the first time, but possibly for the last, General Ibrahim Babangida yesterday demonstrated his capacity both to surprise Nigerians and keep them guessing.

Three days before he is scheduled to step down from power, Nigeria's military leader authorised the introduction of a two-tier price system for petrol that will have the effect of raising the price tenfold.

Is the move designed to trigger protests which might turn to violence and provide a pretext for an extension of the general's strong-arm rule?

Or is it his farewell gift to the new government, due to be sworn in tomorrow, tackling an issue a civilian government might prefer to avoid?

Whatever his motive, the general has belatedly fulfilled an acid test of any attempt to put Nigeria's lapsed economic reform programme back on track. Few issues are so central to recovery as the need to end the massive subsidy of fuel that saw smuggling to neighbouring states thrive and left many parts of Nigeria short of petrol - at the official rate, that is.

Under the new system, fuel at the old price of N0.70 a litre (2.8 US cents) will still be available, but in the coming weeks the number of outlets will be cut and queues will get longer. More and more drivers will choose to pay a higher price – N7.50 – for a premium grade petrol rather than queue, so the theory goes.

And in centres where smuggling has created a shortage, motorists are already paying a black market price equivalent to the new rate.

Petrol in a country which produces 1.8m barrels of oil a day is not the only commodity in short supply. Banks have been unable to meet a sudden run on deposits because of a shortage of physical bank notes. Cheques are not being honoured. The Central Bank of Nigeria has rejected calls to print more notes.

"We have to try to control inflation," a central bank spokesman said.

In the absence of reliable data, Nigerian businessmen believe inflation is running at an annual rate of between 70 and 100 per cent, compared with 46 per cent at the end of 1992.

"In the last three weeks this country has ground to a halt because there is just no government," says the managing director of a big industrial group. "No one wants to hold stock, manufacturing output has dwindled and people want their money in cash kept under the mattress. Everyone is just waiting to see what will happen on August 27."

Managers have put investment decisions on hold. They say planning meetings are about how to survive through the week. Any business forecasting is impossible. Fears for safety have stopped truck drivers making journeys between north and south Nigeria, adding supply problems to the other woes of Nigerian industry.

More disruption is expected as pro-democracy groups have called three days of protest from today. The Nigeria Labour Congress, which groups 41 industrial trade unions, has called its members out on strike if Gen Babangida does not bow out on Friday.

'In the past three weeks this country has ground to a halt because there is no government'

More serious is the threat of Nupeng, the oil workers' union, to do the same. Gen Babangida has deployed the army to guard Nigeria's oil installations.

"The soldiers have taken arms and ammunition into refineries in contravention of all international safety regulations," says Mr Elijah Okougbo, the deputy general secretary of Nupeng. "They fear we will sabotage the oil industry. But we have no guns. Our only weapon is a civil disobedience campaign to force Babangida to quit the stage."

Gen Babangida yesterday convened a meeting of the ruling military council to discuss the composition of the "interim government" which he says will succeed him on August 27. But with 48 hours to go before the handover, the general, who annulled the June presidential elections, is understood to be having difficulty convincing a Nigerian of sufficient stature to head the new administration.

Several eminent Nigerians are believed to have declined the offer. "No self-respecting Nigerian wants to lead a puppet government," says a banker in Lagos. "It will be a government of non-entities, and the economy will continue to fall to pieces."

The pro-democracy movement has been fragmented and leaderless since Chief Moshood Abiola, the presidential candidate robbed of his victory, fled the country three weeks ago.

Labour protests are unlikely to have much impact outside Lagos, although the disruption in the oil industry could be serious if Nupeng carries out its threatened strikes.

Businessmen fear that the new interim government will lack the legitimacy and authority to solve Nigeria's economic problems. The departing transitional civilian administration, named by Gen Babangida six months ago to put Nigeria's faltering economic reform programme back on track, has wound up in dismal failure.

The country's budget deficit is thought to have reached N22bn ($873m) in the first quarter of 1993 – nearing in four months its deficit target for the year. Chief Ernest Shonekan's administration also failed to reach a debt-rescheduling agreement with the Paris Club of creditor nations, who are owed $16.5bn of Nigeria's $30bn foreign debt.

Whatever government takes over will inherit an economic crisis; but if the price rise yesterday is accepted by Nigerians, it will have one less headache to bear.

NEWS: THE AMERICAS

'Bidding wars' truce by governors

By George Graham
in Washington

US GOVERNORS have agreed on a new policy aimed at preventing "bidding wars" in their efforts to attract businesses to their states by offering tax breaks and other incentives.

The policy will not end such competition but officials hope it will mark a truce and help states to focus on improving their general economic conditions.

Governor Jim Edgar of Illinois, main author of the policy, said it "should restore some sanity to the competition".

Governors have often come under attack for spending more money and effort trying to attract new industrial plants than on maintaining sound business conditions for existing businesses that may have a much better record of creating local jobs.

The new policy statement from the National Governors' Association, agreed at a meeting in Oklahoma last week, says that the competition for plant location "should not be characterised by how much direct assistance a state can provide to individual companies".

Instead, states should be judged on such factors as improvements in education, transport, telecommunications, general tax policies, business regulation and the quality of public services.

The announcement of a new industrial plant can trigger a flurry of offers from states anxious to win the jobs it would bring, ranging from tax holidays to free land and infrastructure investments.

Mercedes-Benz received offers from more than 30 communities around the US when it announced it would build a $300m factory making four-wheel drive utility vehicles. BMW won an estimated $71m in land grants and other incentives from South Carolina when it decided to locate a $410m plant in Greenville.

Hopes dwindle for US Mars probe

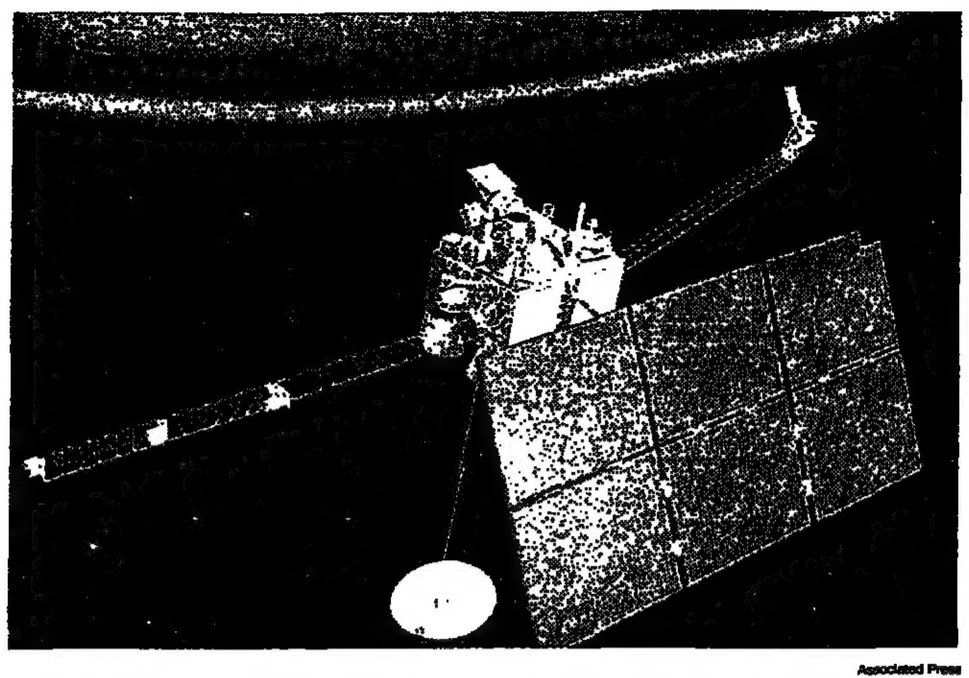
By George Graham
in Washington

HOPES FOR rescuing the $980m (£652m) Mars Observer mission from failure were dwindling yesterday as US space scientists tried vainly to re-establish radio contact with the spacecraft.

Officials at the National Aeronautics and Space Administration could do little but cross their fingers and hope that a fallback programme would prompt the Mars Observer to call in of its own accord, after their own efforts to restore communications had produced no result.

Failing that, the spacecraft seemed destined to head on uselessly into space, instead of turning into an orbit around Mars from which it could map the planet's surface and explore its atmosphere and composition.

Nasa engineers had originally switched off the Mars Observer's radio last week as a precaution when they pressurised its fuel tanks in preparation for orbit. The radio has not switched back on.


Associated Press
SILENT SATELLITE: Nasa hopes a fallback programme will prompt it to call in of its own accord

Scientists involved in the mission tried to put a brave face on things, noting that some of the return on the $980m investment had already been achieved through the development of technology for the mission that could be transferred to other uses.

Nonetheless, the mission seems set to become the latest in a series of disasters that have severely damaged Nasa's reputation.

Nasa's efforts to explore deep space, from the Hubble space telescope to the Galileo mission to Jupiter, have been hampered by technical failures.

Its launch programme has also been plagued with problems, with malfunctions causing delays to the schedule for space shuttle missions.

Other space launchers outside Nasa's aegis have fared no better, with setbacks including the explosion earlier this month of an Air Force Titan 4 rocket carrying an expensive intelligence satellite.

These problems come at a particularly critical time for Nasa, because of the intensity of debate in Congress about future funding levels for expensive programmes such as space exploration.

The space station, redesigned to meet tighter cost constraints, survived by one vote in the House of Representatives in June, but Congress members opposed to the station believe there are other opportunities to kill it.

Menem's drive for new term triggers row

THE ANGRY resignation of Argentina's interior minister has brought out into the open a bitter row over President Carlos Menem's drive to amend the constitution so he can stand for a second term, Reuter reports from Buenos Aires.

Mr Gustavo Beliz, a 32-year-old lawyer sworn in just nine months ago as a symbol of clean government, stormed out on Monday after accusing some of Mr Menem's closest aides of dirty tactics in their campaign to change the constitution.

Mr Beliz, who has close links to leaders of Argentina's Roman Catholic church, said in his letter of resignation that unidentified senior officials were generating "an unacceptable state of suspicion" by the way in which they tried to further Mr Menem's goal.

The outgoing minister had also charged in an interview published on the eve of his resignation that some of Mr Menem's aides were prepared to buy opposition votes in the 257-seat lower house of parliament, which must approve by a two-thirds majority any proposal to change the constitution.

Although Mr Beliz never named any of his targets, one of his aides singled out Mr Eduardo Bauza, Mr Menem's influential chief of staff and his main political operator.

Mr Menem, who took over from his predecessor Mr Raúl Alfonsín at the height of a bout of hyperinflation in 1989, will have to step down in July 1995 if he cannot get the constitution changed.

He says his team's success in reining in inflation must be given a further lease of life with a second term in office.

Coal strike talks to restart today

By Laurie Morse in Chicago

REPRESENTATIVES of the US's largest coal mine operators and the United Mineworkers of America will meet in Washington today in an attempt by federal mediators to end a long-running strike that has hit about 10 per cent of US coal production.

However, both sides have called today's talks "exploratory", and neither expects a quick end to the dispute.

Mineworkers have been striking at eastern and central mines owned by members of the Bituminous Coal Operators Association since May, when the union's contract expired. Hardest hit include Peabody Coal, subsidiary of UK-based Hanson, and Consol Energy, owned by Rheinbraun of Germany and DuPont, the US chemical company.

Most of the affected mines produce high-sulphur coal, a commodity already under market pressure because of the environmental constraints of the US Clean Air Act. The union is seeking guarantees from the coal companies that its members will be given jobs in new mines in the region.

The coal operators have proposed a complicated formula for awarding some new jobs to union workers and some to non-union labour.

Union workers, the companies contend, cost more to employ. The companies are also seeking contract concessions that would give them more workforce flexibility, according to Mr Tom Hoffman, a BCOA spokesman.

"The union still wants all the jobs at every single new mine that opens," said Mr Hoffman, "and we won't give them that."

Brazilian states in accord on federal debt

By Christina Lamb in Brasilia

ELEVEN of Brazil's 27 states signed an accord yesterday to restart paying back up to $20bn (£13.3bn) owed to federal government agencies, in the first concrete step towards improving the Treasury's cashflow and balancing public accounts.

Under the agreement, whose signatories include the biggest debtor states such as São Paulo, Minas Gerais, Bahia and Rio de Janeiro, the federal government has the right to suspend revenue transfers to the states if they miss debt repayments.

The debt is to be restructured over 20 years with 240 monthly instalments. On signing, the states made a symbolic $38m payment to the National Savings Bank, to which they owe $9bn.

However, for the accord to come into effect, Congress must approve enabling legislation in a vote due next week and the Senate must decide on the level of payments for each state.

The federal government wants the states to pledge 11 per cent of receipts for debt payments. However, state governors insist that they cannot commit more than 7 per cent.

To obtain the accord the government had to give in to various demands by the states.

It will assume much of the debt Rio state built up over its ill-fated metro project and discount money owed to the state power distribution companies by Eletrobras, the state holding company. The final amount to be repaid to the federal government may be nearer $11bn than the $20bn originally hoped for.

Following the government victory on wage legislation the signing of the debt accord is the second piece of good news in a week for Mr Fernando Henrique Cardoso, the finance minister.

However, following the familiar pattern among Brazilian politicians of giving with one hand and taking away with the other, a new cheque tax, from which the government is hoping to raise $2.4bn this year, is being threatened by legal action.

Five governors from the south of Brazil went to court yesterday to contest the constitutionality of the new tax which is due to come into force tomorrow.

UN appoints a 'Mr Clean' to fight fraud

By Michael Littlejohns, UN Correspondent, in New York

THE UNITED NATIONS last night appointed a senior investigator to examine persistent charges of fraud, waste and corruption in the organisation.

Mr Mohamed Aly Niazi, an Egyptian who served for 23 years as a UN internal auditor before his retirement, will fill the newly created post of assistant secretary-general for inspections and investigations.

He is said by those within the UN to be "obsessed with honesty". He is already running an inquiry into the way the UN handles multi-million dollar bids for commercial contracts for peacekeeping and other services.

Eight officials were recently suspended from duty following suspicions of impropriety in the award of a contract to a company that provides helicopter services for UN missions.

Mrs Madeleine Albright, the US delegate, has been pressing for appointment of a UN inspector-general with wide powers. That question is expected to be addressed by member states at the general assembly session beginning next month.

Allegations of mismanagement and lax controls over the UN's world-wide operations are blamed in part for the US Congress's failure to authorise payment of some $786m (£527.5m) in arrears for the regular budget and peacekeeping.

Mr Niazi was the personal choice of his compatriot, Mr Boutros Boutros Ghali, the secretary-general. He will head a staff of 90.

NEWS: WORLD TRADE

US critics hit at Uruguay Round draft

By Nancy Dunne
in Washington

US BUSINESS and labour lobbyists continue to demand far-reaching changes in the current negotiating text for completion of the Uruguay Round of world trade negotiations. They are also pressing, with December 15 as the notional deadline, for more progress on tariff reductions.

These groups see as a key weakness of the current text an emphasis on curtailing US trade laws rather than imposing disciplines on the practices which these laws are supposed to address, such as dumping, subsidies and industrial targeting.

The enthusiastic support of US business is vital if a final Uruguay Round package of reforms is to overcome protectionist forces in Congress.

The text was prepared in 1991 by Mr Arthur Dunkel, the former Gatt director-general, who proposed compromises from the various positions of Gatt members.

In the view of many US companies, this produced a document skewed against "the world's most open large market" because it would cripple the trade laws used to protect against "unfair" practices or employed to open foreign markets.

The US Chamber of Commerce last week sent Mr John Schmidt, the US co-ordinator for multilateral trade negotiations, a detailed listing of "our perceptions of the shortcomings of the Dunkel draft".

High among the complaints was that the negotiating text "significantly benefits the interests of respondents in anti-dumping investigations and significantly prejudices domestic petitioners".

An updated report produced by the Labour/Industry Coalition for International Trade found many of the same deficiencies.

The Chamber of Commerce also wants further tariff reductions (it mentions textiles and electronics), harmonisation of tariffs, and "vigorous attempts to achieve the Tokyo summit commitments to cutting peak tariffs by 50 per cent and other tariffs at least 33 per cent".

Kinkel, Juppé in Gatt talks pledge

By Quentin Peel in Bonn

MR Klaus Kinkel, the German foreign minister, and Mr Alain Juppé, his French counterpart, yesterday expressed their joint determination to reach a rapid settlement of the Uruguay Round of talks on world trade.

After a day of informal discussions in Dresden, the two underlined the "excellent" state of relations between their governments, in spite of the recent upheaval in the European monetary system, and their continuing differences on the trade negotiations.

Mr Juppé admitted, at a brief press conference, that problems still remained to be resolved on liberalising farm trade, but he added: "The will to find a solution is stronger then ever." Mr Edouard Balladur, the French prime minister, is expected to spell out to Chancellor Helmut Kohl tomorrow the latest French proposals on farm trade, which France will table in Brussels at a meeting of EC foreign and agriculture ministers on September 20.

France is the only EC member which has been unable to accept the EC-US agreement on farm trade negotiated last year. Chancellor Kohl has been pushing for a compromise to enable the Gatt round to be concluded.

Taiwan aviation talks struggle to take off

TALKS between British Aerospace and Taiwanese officials to rescue a proposed joint venture have spilled over into a third day, write Daniel Green and Dennis Engbarth in Taipei.

Fourteen hours of meetings yesterday remained mired in the details of how the aircraft manufacturing venture, called Avro, will be financed.

The deal is central to BAe's strategy to improve its profitability. The RJ series of regional jet aircraft that would be built partly in Taiwan currently loses money for the company.

Taiwanese banks want to limit their exposure to the fortunes of Avro. They are seeking assurances that the assets BAe is putting into Avro – land, plant and machinery in the UK – qualify as collateral for their loans rather than loans from UK banks. The Taiwanese cabinet minister involved in the talks, Mr Chiang Ping-Kun, economic affairs minister, confessed he "did not understand" UK banking law on collateral.

Taiwanese law prevents a bank from making unsecured loans to a company in which it has more than a 3 per cent stake. This limit is exceeded by the state-owned Chiao Tung Bank, which heads the consortium of lender banks.

Chiao Tung Bank officials will continue their talks with BAe today.

Another team from Taiwan Aerospace Corporation, the joint venture partner, will address guarantees that aerospace technologies will be transferred to Taiwan and the conditions under which a new range of aircraft, the RJX, would be developed.

TAC bows to banks and officials

Daniel Green on negotiations with BAe

IN TAIWAN the business of building aircraft has become too important to be left to businessmen.

Taiwan Aerospace Corporation (TAC), the company set up two years ago by Taipei to launch one of Asia's leading manufacturing economies into the commercial aviation industry, is being elbowed aside by the country's banks and government officials.

Its president and chairman will be replaced within weeks by nominees from creditor banks, whether or not the protracted talks with its potential partner, British Aerospace, succeed in establishing a joint venture to build regional jet aircraft. Although TAC's chairman is taking part in the talks, the state-owned Chiao Tung Bank, which leads the banking consortium that plans to lend money to the joint venture, has taken centre stage in the talks.

Mr Denny Ko, TAC's outgoing president, is not even attending this week's event though he signed the original joint venture contract with Mr John Cahill, BAe's chairman, in January. US-educated Mr Ko acknowledges that he was "perhaps naive" in believing the fine-tuning of the contract would take just three months. He says that the Taiwanese establishment tends to regard him as too pro-western to take any further part.


The BAe regional jetliner (RJ) family that would be built partly in Taiwan under the deal

But he admits the banks have some justification for their unhappiness about the way the deal has been conducted. "There was a breakdown in communications" between TAC and the banks backing the project during the spring," he says.

That breakdown led this week to a redrafting of a series of clauses in the original contract with the intention of assuaging the fears of the banking consortium members that the joint venture might lose money. Those changes being negotiated this week are designed to:

- ● Ensure that assets BAe is putting into the joint venture called Avro can be used as collateral against bank loans. Details of the loans have dominated talks this week.
- ● Reduce the banks' exposure to risk in the leasing of aircraft – Taiwanese banks are relatively unfamiliar with leasing.
- ● Determine the nature of a market study that could lead to the production a new model of aircraft, the RJX.
- ● Strengthen BAe's commitment to transferring design and manufacturing skills to Taiwan – a senior government official on Monday said the original contract was "loose" on the subject.

This last point was underlined yesterday by Taiwan's defence minister, who was reported to have called for more technology know-how to be transferred to Taiwan as part of a separate military aircraft deal with Dassault, the French aircraft maker.

The now sidelined Mr Ko can only watch Taiwan's banking and political establishment take direct control of the talks, indicating how determined it is to make Taiwan a force in civil aircraft manufacture. While BAe wants Asian manufacturing and markets to stem the losses in its regional aircraft operation, for Taiwan the logic of the deal is more complex and no less compelling.

The country has a well-developed military aerospace industry that grew out of its political isolation. In the wake of western countries' recognition in the early 1970s of the communist government in Beijing, Taiwan was unable to buy advanced military aircraft from western countries.

In the 1970s it began a programme to develop its own supersonic fighter aircraft. But just as production got under way last year, France and the US decided to risk Beijing's wrath by allowing the sale of General Dynamics F-16 and Dassault Mirage 2000 fighters to Taiwan.

Taiwan's air force promptly halved its order for the indigenous fighter, leaving 200-plus local aerospace manufacturers and the design and manufacturing arm of the defence ministry with spare capacity.

What is unfortunate for BAe, is there is no shortage of western suitors willing to take work-hungry Taiwanese partners. The Taipei annual aerospace exhibition, which finished on Sunday, was dominated by huge pavilions of French and US companies. BAe was represented by a small stand under the name of Avro.

See Lex

AEG links with UK in rail deal

ANGLO-German partners AEG and Taylor Woodrow International have won a DM735m (£290m) contract for a light railway system in Kuala Lumpur, the Malaysian capital, writes Christopher Parkes in Frankfurt.

AEG said yesterday its share amounted to DM320m and comprised orders for the entire electrical system, signalling, telecommunications, ticket-issuing and workshop equipment, and 34 units of rolling stock.

Taylor Woodrow, the construction company in charge of the project, will lay tracks and build stations for the 12km project. On completion, expected in late 1996, the system will have a maximum passenger capacity of 35,000 an hour in each direction.

The contract represents a further advance for AEG's rail systems division, one of the fastest growing units in the Daimler-Benz subsidiary. AEG is due shortly to make its first direct investment in Chinese railways, in a joint venture to make carriages for the Shanghai metro. The company made its first move in Chinese railways in charge of an all-German consortium which set up and equipped the first stretch of the Shanghai system.

Caviar cartel

The five countries sharing the Caspian Sea agreed yesterday to set up a caviar cartel, Iran's IRNA news ageny reported, Reuter reports from Nicosia.

It said fishery officials from Iran, Russia, Azerbaijan, Kazakhstan and Turkmenistan, meeting in the Iranian Caspian port of Bandar Anzali, agreed to co-ordinate marketing of the luxury delicacy around the world.

Hungary set for key decision on mobile telephones

HUNGARY will tomorrow name the winners of a tender for two concessions to operate digital mobile telecommunications systems, writes Nicholas Denton in Budapest.

The successful international consortiums are expected to pay a combined $100m (£150m) for the right to operate networks based on the pan-European GSM standard over 15 years and to invest a further $400m in development over the next 10 years.

Hungary's is the first tender in east-central Europe for GSM mobile phone services and will set a precedent for Poland and the Czech Republic.

Confident of victory is a group led by US West, the US regional operator, and HTC, the Hungarian telecommunications monopoly. They are already partners in Westel, the joint venture operating Hungary's analogue mobile telephone service.

DBFH, teaming Deutsche Bundespost Telekom, France Telecom and British Telecom, is also a powerful contender. With a reported $48m bid for the rights to one concession, the west European national operators topped the $46m offered originally by US West and its partners.

But Deutsche Telekom is a prime contender for the planned privatisation later this year of a stake of more than 30 per cent in state-owned HTC. Deutsche Telekom's involvement in the national landline operator could conflict on competition grounds with participation in digital cellular telephony.

Deutsche Telekom's divided interest may work to the advantage of Pannon GSM, a coalition of the Danish, Swedish, Finnish and Dutch state telecommunications companies. The "Nordic" group's last bid of $45m was only marginally behind the leaders' and the tender evaluation committee rated the submission's technical quality highly.

Minister refuses to rule out tax increases

By Peter Norman, Economics Editor

A SENIOR government minister yesterday said the ruling Conservative party intended to offer potential tax cuts ahead of the next general election, but could do so only by cutting the level of state borrowing.

Mr Michael Portillo, chief secretary to the Treasury, did not, however, rule out the possibility of tax increases in the November 30 Budget as part of a strategy to bring the state's finances into order.

Instead, he cautioned against excess optimism that this year's public sector borrowing requirement would be less than the £50bn forecast in the March Budget. Nor would Britain's recent better than expected inflation performance help the government with its task of cutting expenditure.

"If the recovery is stronger than we anticipated, then public borrowing will come down a little bit faster," he said in an interview with the Financial Times. "We are going to be borrowing rather large sums of money for rather a long period of time. I'm looking at an increase of our debt service burden of about £10bn over the next four years. And that is money that cannot be spent on programmes."

Mr Portillo said it was "essential for the Conservative government to go into the next election with a reputation for sound public finance". To do that it needed to make sure that borrowing was "reducing at a fast enough rate".

Mr Portillo was concerned that critics inside the Conservative party seemed unaware of how tough a proposition the government had set for itself in aiming to hold to the "control totals" of £253.6bn and £263.3bn that it set a year ago for public spending in 1994-95 and 1995-95 respectively.

The control totals amounted to no real increase in public spending in the two years.

Mr Portillo said the government could not take comfort from Britain's better-than-expected inflation performance in planning its public spending. "For the time being we would expect inflation in the years ahead to be a little higher than we expected in July 1992 (when the control totals were set) because of the loss of value in the currency" since sterling's departure from the European exchange rate mechanism last September.

Nor was he lulled into complacency by last month's better-than-expected public sector borrowing figures which have prompted many City analysts to pitch their expectations of the PSBR below the £50bn envisaged by the government for this financial year and the £44bn forecast for 1994-95.

"At the moment it seems to me that we are still faced with a borrowing requirement of about the size that the government has estimated," he said.

CONSUMER confidence in the health of the economy has increased again, fuelled by a growing belief that unemployment has stopped rising, the latest Gallup survey of consumer confidence shows.

The survey, conducted on behalf of the European Community, found that when asked about prospects for growth, 34 per cent of the 2,042 respondents expected the general economic situation to improve in the next 12 months while 28 per cent expected it to deteriorate.

Interview, Page 10

Albert Pacey, the new head of the 17-month-old National Criminal Intelligence Service, warned yesterday that public concern about street crime should not obscure the "hidden dangers" of organised crime such as burglary, drug trafficking, money laundering and fraud Photograph, Trevor Humphries

Charges against brokers dismissed

By Norma Cohen, Investments Correspondent

THE Serious Fraud Office yesterday suffered a further setback to its efforts to prosecute alleged City crimes in the criminal courts when two stockbrokers were acquitted of conspiracy to defraud.

The men in the case, Mr Andrew Leslie Kent, 46, and Mr Patrick Mahon, 53, were respectively corporate development manager and managing director of the City firm T.C. Coombs. Both were charged with conspiracy to defraud and attempting to obtain property by deception.

Dismissing the charges against the men, Crown Court Judge Clark said: "This sort of enquiry in a case where there has been no financial loss to any individual would be far better left to the regulatory jurisdiction of the appropriate bodies rather than a full-blown criminal trial."

Judge Clark called the SFO's case speculative, but said: "I make no possible criticism of the SFO in this case." The SFO case was largely based on documents supplied to it by a Swiss bank, Rahn and Bodmer. However, several months ago, following a judge's order, the bank turned over more documents which cast new light on the claims.

The judge has ordered the prosecution to pay the defendants' costs.

Mr Robert Alun-Jones, QC for Mr Kent, said his client would pursue claims against Rahn and Bodmer for defamation and malicious prosecution. Lawyers for both men said they were also considering whether to act against any regulatory bodies.

Under the Financial Services Act, self-regulating bodies may not be the subject of a damages claim as long as they were carrying out their duties in good faith.

At the heart of the prosecution's case was that the men had entered into a transaction ultimately designed to make Coombs appear more heavily capitalised than it actually was.

Unions may face penalties for poaching members

By Robert Taylor, Labour Correspondent

ANY union which poaches members from another labour organisation could face heavy financial penalties under new proposals being considered by the TUC, the umbrella group for most UK unions.

The proposal for a tough system of fines is made in a confidential TUC consultative document sent to union general secretaries. It is designed to prevent inter-union conflict after the introduction later this year of a law giving workers the right to join the union of their choice.

The paper also calls for a new TUC body to be set up to judge poaching cases if conciliation fails. It would be headed by a legally qualified director backed by two outside experts and serviced by TUC staff.

In the past the TUC has suspended or even expelled unions which refused to accept its rules on inter-union relations.

Although the the TUC has opposed moves to inflict financial penalties on member unions in the past, the confidential document says: "A new system of penalties might be developed based not on requiring the exclusion of members or on rescinding of agreements, but on financial damages and compensation." This would be linked to the loss of income to a union for one or two years. The document does not specify the amount of such fines.

Other proposed sanctions against a union found guilty of poaching would be censure by the TUC general council or the annual congress. In a further departure from present policy, the TUC also proposes playing an active role in encouraging union mergers.

Under the new Trade Union Reform and Employment Rights Act, a worker has a right not to be excluded or expelled from a union unless he or she fails to satisfy union rules restricting membership to people employed in a specialised trade, industry or occupation.

The TUC warns in the paper that unions could be dragged "increasingly into inter-union skirmishes and wars" if they fail to adapt to the legislation.

Shipyard workers lodge tribunal claims

By Chris Tighe

NEARLY 500 former employees of Swan Hunter, the Tyneside shipyard, have lodged claims of unfair dismissal as part of a union campaign to highlight the position of workers made redundant by receivers in north-east England.

The claims have been flooding into the industrial tribunal centre at Newcastle upon Tyne since union leaders wrote last week to more than 700 employees made redundant since the shipbuilder went into receivership in mid May.

If the employees' claims succeeded, they would be unlikely as unsecured creditors to receive any additional compensatory payoffs. A creditors' meeting earlier this month was told by receivers Price Waterhouse that Swan Hunter had total liabilities of £51m and realisable assets estimated at £6.29m.

But Swans union leaders hope their move, which follows a similar initiative by Leyland Daf union officials, will raise concern at how receivership can harm employees' redundancy entitlements.

Swan Hunter's now defunct company severance scheme paid up to £13,000; employees made redundant by the receivers must apply to the Department of Employment under the state redundancy fund, which pays a maximum of £6,150.

Price Waterhouse declined to comment at this stage.

IT staff to strike at BAe

By Ian Hamilton Fazey, Northern Correspondent

STAFF in the military aircraft division of British Aerospace (BAe) will tomorrow stage a one-day strike at plants in north west England against what unions say are plans to "sell their jobs" to one of three US companies.

The strike, which will involve about 450 information technology specialists and other staff, will affect factories in Warton, Preston and Samlesbury where BAe makes the Tornado ground attack bomber, the Hawk jet trainer and parts of EFA, the European Fighter Aircraft.

The Manufacturing Science and Finance white-collar union said yesterday BAe wants to "outsource" up to £250m of information technology work. The union alleged that this would remove the company's ability to control its own information technology systems and pose a threat to national security.

Mr Frank Coulton, chairman of the MSF branch for the three factories, claimed secrets of military aircraft design and knowhow would be given to an overseas company.

Outsourcing – where a company contracts out formerly in-house services – has been growing in the recession, with computer bureaux offering economies of scale and savings in functions such as warehouse management, stock control, invoicing and debt collection.

British Aerospace said investigations on outsourcing had been under way for several months as a part of a general efficiency review and cost reduction, but no decision had been made. It said detailed tenders for the work had been sought from an IBM-DEC consortium, Computer Science Corporation, and EDS-Scicon. All three bidders are US companies.

BAe declined to say which work would be involved, but MSF believed it to involve all mainframe computer activity, including some computer-aided design and manufacture, as well as routine clerical and management systems.

The company said the outsourcing investigations did not involve Rover cars or the group's construction business, only aerospace. About 15 factories would be involved throughout Britain. BAe workers would be transferred to the contractor if any outsourcing is agreed.

Universities reject more arts applicants

By John Authers

THE clearing system for UK universities starts today with indications that rejections of candidates for arts courses have been "significantly higher than last year".

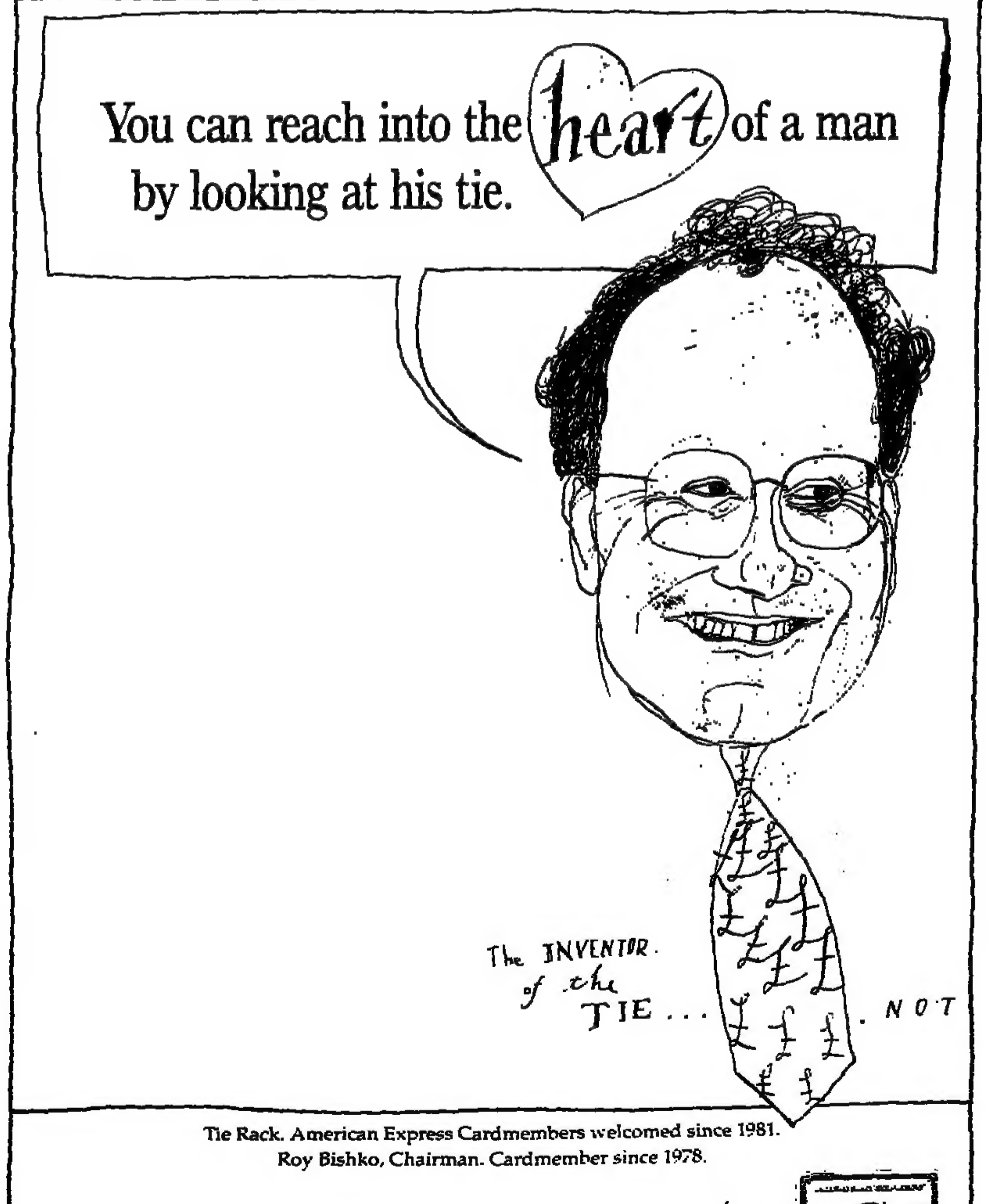
But the Polytechnic Central Admissions System reported that two E grades – the lowest grade of A-level examination pass – would gain entry into many science and engineering courses.

Mr Tony Higgins, chief executive of PCAS, said: "The absence of arts and social science courses is striking. But the place is seething with science and engineering courses."

He added that admissions tutors for arts subjects had needed to adopt much stricter criteria: "In normal years, admissions tutors have three piles – 'yes', 'maybe' and 'no'. This year they need to be much more decisive, and the only piles are 'yes' and 'no'."

The Universities Central Council on Admissions, which will merge with PCAS later this year, reported that more courses were still open than at the same stage last year, although vacancies in arts subjects were restricted to combined courses.

It predicted that more applicants will have reached the grades demanded this year, leading to a higher proportion of ultimate rejections. University vice-chancellors blamed cuts in government funding.



Nissan likely to cut output target at UK plant

By Kevin Done,
Motor Industry Correspondent

NISSAN, the Japanese carmaker, is reviewing output levels at its UK plant and is expected to be forced to cut its present target of producing 270,000 cars this year.

Production levels throughout the UK motor industry are under heavy pressure because of the continuing sharp decline in new car sales in continental Europe.

Nissan had planned to raise output at its £900m car plant at Sunderland in north-east England by 51 per cent this year to 270,000 from the 179,000 cars produced last year.

"With the situation in Europe as it is, it is beginning to look as if we will not reach that target," the company said yesterday.

Around 88 per cent of production was exported last year, but this share has fallen in 1993, as the UK has emerged as the only market in west Europe where new car sales are growing.

The Sunderland plant, which now has a capacity to produce up to 300,000 cars a year, has been under development since the mid 1980s. This is the first year in which it has been able to produce two car ranges, the Primera large family car and the Micra small car, at full capacity following the launch of the Micra in the second half of last year.

The start-up of Micra production has allowed Nissan to raise its output in the first half of 1993 by 90 per cent to 140,713 from 74,214 in the corresponding period a year before.

However, output at the plant was already coming under pressure early in the summer from the sales decline in continental Europe. Nissan was then forced to lower planned Primera output in Sunderland by 15 per cent to 110,000 from the previous target of 130,000.

This reduction was offset by the decision to raise the Micra production target from 140,000 to 160,000.

Nissan was the first of the Japanese carmakers to establish a car assembly base in Europe, and it has now become the first to be caught up in the recession that is hitting all the established car producers in Europe.

Ford, Vauxhall and Peugeot have all been forced to reduce production in the UK this year. Overall UK car output in the first seven months at 858,617 was 6.6 per cent higher than a year ago because of the higher output from Nissan and the start-up of the Honda and Toyota UK plants.

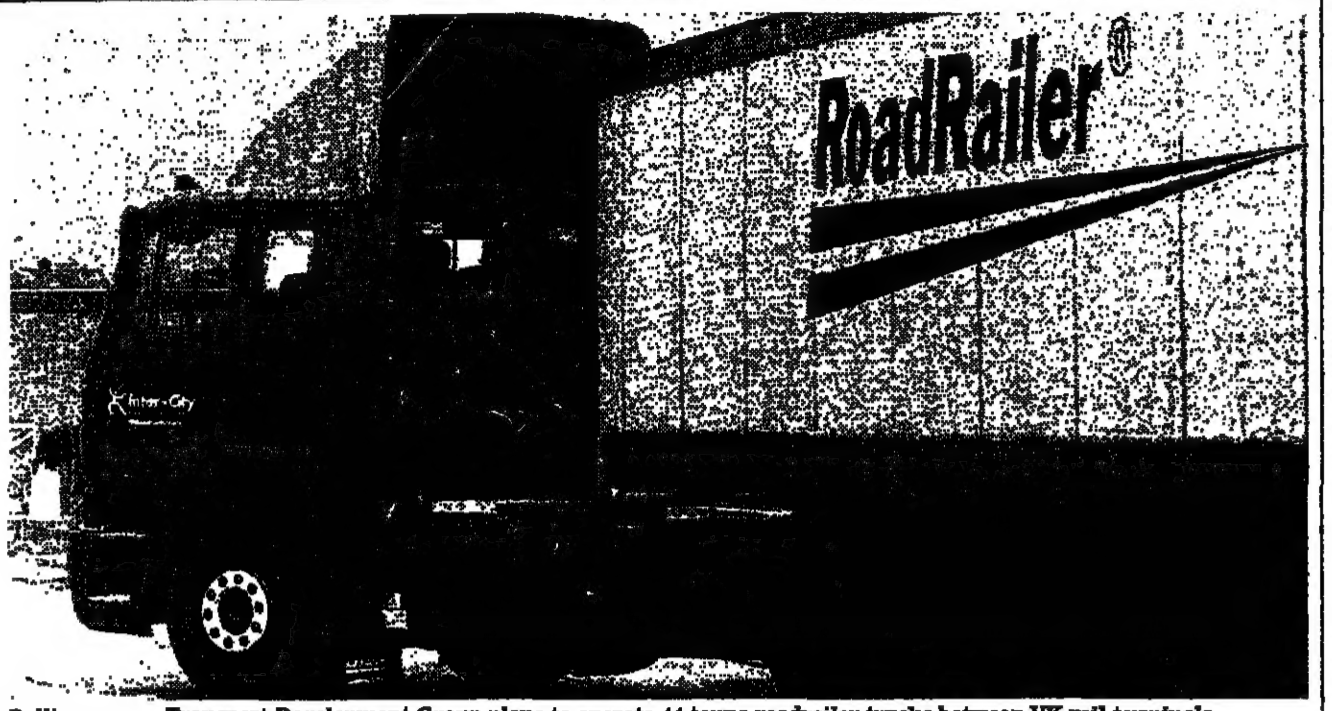
- Honda produced 13,000 cars at its plant at Swindon, Wiltshire, in the first half of this year and Toyota assembled 15,300 cars at its plant at Burnaston, near Derby, according to figures from the Society of Motor Manufacturers and Traders.

Overall UK car output has benefited from the growing popularity in Europe of four-wheel drive leisure utility vehicles. They have withstood the recession better than conventional passenger cars and are carving a significant niche in the car market. The UK and Spain are the main production centres for such vehicles in Europe.

Output of the Rover group's Land Rover Discovery and Range Rover vehicles rose by 25 per cent in the first half of the year. It is expected to expand further as the Discovery is launched next year in the US, and when Honda – which has an equity stake in Rover – begins to sell the vehicle under its own badge as the Honda Crossroad in Japan.

Hauliers launch heavyweight bid for big trucks

Channel Tunnel holds the key to use of 44-tonners, says **Tim King**



Pulling power: Transport Development Group plans to operate 44-tonne roadrailer trucks between UK rail terminals

WHEN John MacGregor, the transport secretary, announced earlier this month that 44-tonne trucks were to be allowed on Britain's roads he was prepared for criticism from the environmental lobby.

There was also criticism from an unexpected quarter. Britain's hauliers expressed disappointment that the trucks were to be permitted only for use to and from rail freight terminals. They claimed that the opportunity had been missed to raise weight restrictions on all freight traffic regardless of its origin and destination.

The 44-tonne limit applies to trucks carrying containers or those equipped with swap-bodies which can be separated from the traction units for transfer on to trains.

Mr MacGregor now says he wants to put container lorries and swap-bodies on level terms with trucks making road-only deliveries. The move is seen as part of the government's strategy of reversing the decline in rail freight relative to road freight. Containers and swap-bodies are heavier when empty than conventional truck bodies. Ordinary trucks therefore have a competitive advantage over freight transporters used for a combination of road and rail journeys.

Britain's existing weight limit of 38 tonnes for road-only deliveries means that fully laden conventional trucks are more cost-effective than heavier swap-bodied vehicles, which cannot carry their full capacity unless the regulations are changed.

Mr Bill Newton, manager of the environment research centre at the Transport Research Laboratory, a government agency, said: "We are getting into a situation where rail freight is almost entirely moving bulk goods – coal, oil, aggregates, some bulk steel and refuse."

The advent of the Channel Tunnel rail link has raised new hopes of developing the rail freight industry, which is more competitive with road transport over long distances. Transporting most goods from Glasgow to London, for example, would be cheaper by road, while a journey from Glasgow to Genoa could justify a combination of road and rail. In continental Europe, where most countries already have a 44-tonne limit for lorries geared to road-rail travel, the use of swap-bodies tripled between 1980 and 1989.

European freight carriers may be the first to benefit from the relaxation in UK regulations because they have already invested in swap-bodies.

Investment in swap-bodies is crucial for intermodal (combined road-rail) travel, according to Railfreight Distribution, the BR subsidiary which is due to operate most freight services through the Channel Tunnel. The company, which the government plans to privatise, is already selling capacity on its trains to two wholesalers – Allied Continental Intermodal and Combined Transport, a consortium of Continental intermodal companies and UK road transport operators. They will sell space on the trains to international transport operators.

Mr Mike Stockdale, commercial manager at Combined Transport, says the company would initially have three trains a day in each direction, with a capacity of 26 lorry-loads. By 1995, he expects to move five trains a day in each direction. The increasing use of 44-tonne trucks will depend on the popularity of freight services through the Channel Tunnel.

Limitations on 44-tonne trucks, which will be restricted to routes between railfreight terminals, is the biggest obstacle to reversing the decline in rail freight, according to critics of the system.

Mr Ken Buchan of the Metropolitan Transport Research Unit, an independent consultancy which was commissioned to investigate the economics of freight traffic by the campaign group Transport 2000, says the bias against rail freight is greater than a matter of weight restrictions.

Road freight, he argues, is not paying its costs in environmental and safety terms, and will continue to have economic advantages over rail until it is made to do so.

Now that he is permitting the use of 44-tonne vehicles, Mr MacGregor may find it more difficult to resist the road lobby's pleas to raise weight limits for all traffic.

He has said the new vehicles will be no bigger and cause no more wear to roads than existing vehicles. The road lobby is sure to turn that argument in favour of 44-tonne lorries for all-road journeys.

Britain in brief

Superstores 'threatened' by discounters

Food discounters and US-style warehouse clubs pose a serious threat to large UK superstore operators, Mr Archie Norman, chief executive of Asda, warns today.

Mr Norman said in June the "halcyon days" of UK food retailing were over, with the industry unable to support the number of planned store openings without a downturn in margins and sales growth. In a BBC radio business programme to be broadcast tonight, he warns superstores that are wrong to assume discounters operate in a different part of the market.

The three largest superstore chains, J Sainsbury, Tesco and Safeway, have joined forces to try to overturn planning permission granted to US warehouse club operator Costco at Thurrock, Essex, prompting allegations of collusion, and calls for an investigation by the Office of Fair Trading.

Fresh study on tunnel link

Union Railways, the British Rail subsidiary responsible for the Channel tunnel link, is investigating the feasibility of extending its tunnelling in London should St Pancras Station be chosen as the terminus for the link.

The study was in response to local protests over proposals, still being considered, for trains to travel to St Pancras station alongside the existing North London Line through Islington in north London, Union Railways said.

Tags may clock car speeding

Government plans to charge motorists for the use of motorways by attaching electronic tagging devices to cars may be extended to surcharge drivers for speeding, a minister has suggested.

Mr Robert Key, roads minister, said he could envisage a situation where motorists would be charged for every mile for which they broke the speed limit.

"You would know before you set out that if the speed limit was 70 mph and you were doing 80 mph, it was going to cost you and it was going to hurt," he told the motoring magazine Carweek.

Union warning on farm reform

Abolition of the Agricultural Wages Board, which sets minimum pay for farmworkers, could put the government in breach of the Treaty of Rome, according to the Transport and General Workers Union (TGWU).

Launching a campaign to save the board, the TGWU pointed out that Article 39 (1B) of the treaty states the common agricultural policy should ensure a fair standard of living for the farming community, in particular by increasing individual earnings.

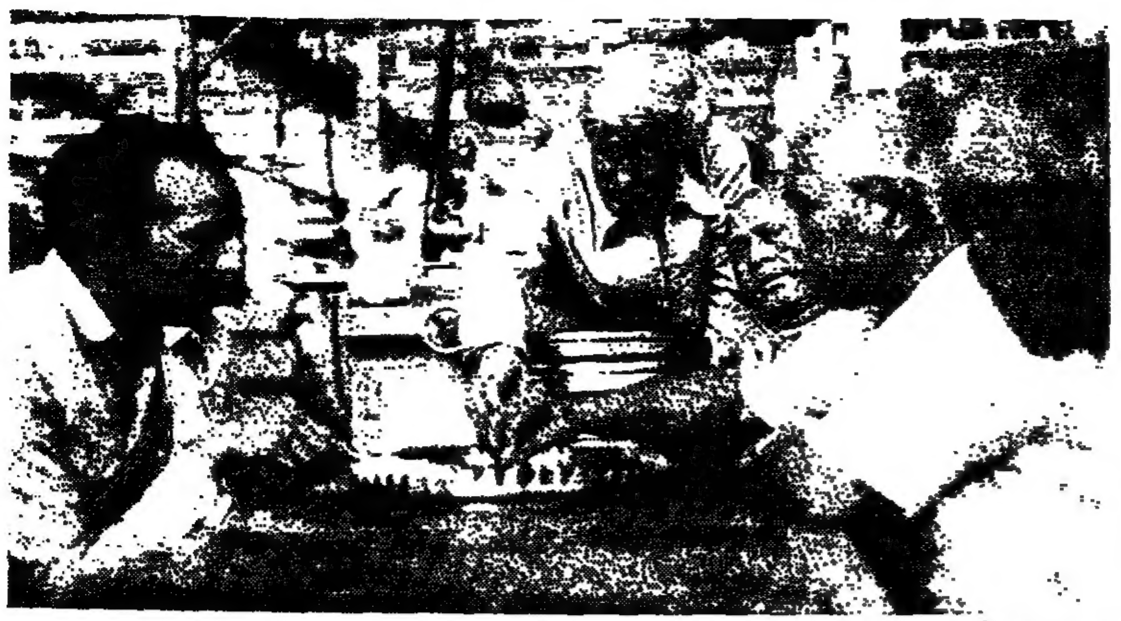
"Abolition would be a clear challenge to the European Commission," said Mr Barry Leathwood, national secretary of the TGWU's rural, agricultural and allied workers' trade group. Mrs Gillian Shephard, agriculture minister, last week extended the deadline for consultation on the board's future from next month until November following pressure from both farmers and farmworkers to keep it.

Buyer interest in RiverBus

Robson Rhodes, liquidators of London's RiverBus, said it had been approached by a number of companies interested in operating commuter services on the Thames, which were suspended at the end of last week.

Jetstream order

Loganair, the British Midland subsidiary, has announced a £25m order for three Jetstream advanced turbo-prop aircraft to be delivered in two or three months. They will operate on the Edinburgh and Glasgow to Belfast routes.



Greg Williams

Telco aims to empower the workforce through training courses and weekly meetings to discuss problems

When quality is a way of life

Telco has developed a peculiarly Indian blend of ideas for motivating workers, writes **Mike Smith**

India may not be the first place to conjure up images of industrial efficiency or total quality management. While decades of bureaucratic controls restrained India's industrial performance, companies all too often subscribed to the old Indian adage of *chalta hai* or "it'll pass".

But if that is now all changing – not least thanks to the economic reforms of finance minister Manmohan Singh – one company stands out as a benchmark for others to follow.

The truck and excavator company Telco (Tata Engineering and Locomotive Company) has developed a peculiarly Indian approach to quality and worker participation in a nation that has to contend with issues – from communal tensions to the effects of *deshi* or country liquor – not always on the agenda of western boardrooms.

Based in Jamshedpur, Bihar, Telco is one of the flagship companies in the blue-chip Tata group. With its sister car plant in Pune, it is India's largest private-sector concern, with a turnover last year of Rs29,000m, approximately (£612m).

Established in 1945, originally as a joint venture with Mercedes-Benz, it is one of the world's largest truck manufacturers, providing 75 per cent of the goods vehicles and buses on India's roads. It has exported them to 60 countries. Last year the millionth truck rolled off the assembly line and recently Telco secured its largest export order, for 2,100 truck chassis, from the Sri Lankan government.

"Quality and productivity are essential in helping us to compete worldwide," says Sarosh Ghandy, resident director in Jamshedpur. "We are investing in our 'software': building on the skills, commitment and involvement of our men."

A crippling 40-day strike in 1969 and a series of shop-floor battles for union control in the early 1970s, had warned management "we were far too distant from our men to liaise with them", says Ghandy. Union officers and senior executives subsequently attended moral re-armament industrial seminars organised by a grandson of Mahatma Gandhi. Impressed by the reconciliation of two rival union leaders, the company launched its own in-house "human relations at work" (HRW) training programme in 1982.

The focus of this is a three-day course, attended so far by 18,000 of Telco's 20,000 employees. The aim is to empower the workforce to take responsibility.

Shop floor workers, who have passed through the course, do the training and at one afternoon session a chargehand from the toolroom, RB Singh, conducts a programme for 20 employees.

Topics for discussion are alcoholism, absenteeism, punctuality, synchronising work functions, responsibility versus blame and even blood donation schemes.

Hindu *swamis* (priests) also give talks on aspects of human behaviour, to "bring an Indian ethos into our environment of management", says Ghandy.

There is also an emphasis on the Gandhian philosophy of the "inner voice" – to encourage "self-motivation", says Telco's head of management development, Nazimuddin Ahmed. "Really motivated people are inner directed.

" They have a characteristic of their own and are not dependent on others."

The visible manifestation has been the birth of shop-floor quality circles, known in Telco as "small group activity" (SGA). Now, nearly 1,300 voluntary groups of 10 to 12 people, involving the bulk of the workforce, meet for an hour each week to iron out production problems – and discuss how to tackle alcoholism, family debt and communal tension in their townships or "colonies".

One group bailed out a colleague who became heavily in debt after personal problems. Another group repaired a fault on a metal press which had baffled German engineers.

Each year, employees make 100,000 suggestions for improvements, saving the company nearly £2m, says Ghandy.

Telco is now making 16,000 more trucks with 6,000 fewer workers and has enjoyed a strike-free industrial record over the last 21 years. Ghandy says that the productivity increase is also due to the impact of the SGAs.

The SGAs also help to defuse any communal and political tensions, according to Shri Gopeshwar, General Secretary of India's National Trade Union Congress (INTUC), who is head of the Telco workers' union.

When the Babri mosque at Ayodhya was demolished by Hindu militants, sparking nationwide violence, relations in the townships around Telco remained calm and the police found it unnecessary to impose a curfew.

Telco, in common with many companies in the west, still faces the challenge of how to reduce the multiple layers of middle management.

But other Indian companies are taking a keen interest in Telco's experience.

Chandreshwar Khan, assistant manager at the Management Training Centre gives talks on HRW to conferences of the Confederation of Indian Industry.

"Improvements in the quality of our products will come from an improvement in the quality of life of our workforce," he says. "In our company we talk about human relations, meaning we work together. And we don't just talk about it – it has become a way of life."

Success tool or passing fad?

As management fashions go, few have been more pervasive than Total Quality Management. Over two-thirds of Britain's largest companies are converts to TQM, fervently believing that it holds the secret to business success.

But experience suggests otherwise. Evidence is emerging that TQM schemes are failing because they have been poorly designed and implemented.

There is also a growing belief that the concept may be flawed – rather than being a management panacea, TQM is beginning to look like another fad.

A recent survey of Britain's largest 500 companies by marketing consultancy, Abram, Hawkes, shows that many of the schemes are half baked: two-thirds do not set quality performance targets, and even when they do exist, less than half have a mechanism for reward when those targets are met.

Perhaps more alarming, TQM schemes do not seem to be delivering their supposed financial benefits. Although most companies surveyed say that the schemes have increased customer satisfaction, only one-third have noticed an increase in sales and only a half have reported higher profits.

Overall, less than 50 per cent of the companies say they are satisfied with TQM, and only 8 per cent are "very satisfied". The results are particularly surprising as the questions were addressed to managers responsible for the quality programmes.

One of the reasons for the frequent failure of TQM programmes to deliver so-called quality, the study suggests, is they are sold to the companies by outside consultancies that have little interest in the long-term success of such schemes. The research shows that nearly 60 per cent of companies use external quality consultants when planning total quality implementation.

Alternatively, schemes may be failing because they are not properly implemented: many companies complain that middle managers have not supported or understood what TQM entailed.

A report on TQM within the UK's 500 largest companies, available from Abram, Hawkes, Tel 0444-441176.

Lucy Kellaway

Moving towards independence

Tim Dickson looks at the changing face of US boardrooms

Independent directors now far outnumber insiders on US boards. But more than three-quarters of US company chairmen still combine that role with the job of chief executive.

These are two of the main findings of a new report on corporate governance from the Conference Board, the worldwide business organisation which has its headquarters in New York.

The issue of independent, non-executive directors, was highlighted in the US this month with the enforced departure of Kodak's Kay Whitmore, chairman of the photographic company. But according to the Conference Board's findings, US corporations have been making considerable strides in recent years towards more independent membership.

Many companies, for example, have eliminated directors whose connection with the company could conflict with their ability to exercise impartial judgments. Thus 60 per cent of the 546 respondents had no board members representing leading customers or suppliers (including legal services), or who were related to or had a significant business connection with a member of the company's management.

Outsiders were in the majority on 94 per cent of manufacturing and financial firm boards, and on 93 per cent of non-financial service company boards. In many companies, the Conference Board comments, chief executives have initiated the reduction of insiders. In this they appear to be influenced by the potential advantages of tapping outsiders' knowledge and contacts, the need to slim down board sizes and pressure from the corporate governance lobby.

Another trend is management's loosened grip on the director nomination process through greater acceptance of the board nominating committee. The Conference Board notes, for example, that only 8 per cent of companies surveyed 20 years ago had such a committee – comprising solely outside directors and charged mainly with the task of finding and screening possible candidates for nomination to vacant board seats. The current figure is 64 per cent.

More than 90 per cent of boards now have a compensation committee, against 69 per cent two decades ago.

The finding that 76 per cent of chairmen combine the role of chief executive may seem a touch unlikely to a UK audience. Since the publication of the Cadbury report on corporate governance in 1991, splitting the two jobs in big companies has become very much *de rigueur*.

The Conference Board states that combining them in the US is "clearly the established pattern". It follows that "most CEOs expect to hold both positions when they assume leadership of a company. But the practice has again come under fire, as it did in the early 1970s".

Another section of the report highlights what directors actually do. Those in financial companies spend on average 35 per cent of their time on board committees, against 30 per cent for non-financial service companies and 24 per cent for manufacturing concerns. Committee time increases, though, as company size expands.

Median board meeting lengths range from two and a half hours in financial firms to three and a half hours in manufacturing companies.

In the largest manufacturing and financial firms the median board meeting frequency is nine times a year, although in some the frequency is as low as four and as high as 12.

At board meetings directors spend two-thirds of their time on three main concerns: strategic issues (a median of 25 per cent), financial management (21 per cent), and operations control (20 per cent). Forty four per cent of the manufacturing companies said their directors were "very diligent" in preparing for meetings, but the figure drops to 39 per cent and 34 per cent for non-financial service firms and financial firms respectively.

The report includes a brief section on Europe, based on interviews with corporate executives in eight countries.

Available from Judith Kertland, The Conference Board Europe, Avenue Louise 207, Bte 5, B-1050 Brussels, Belgium.

BUSINESS AND THE ENVIRONMENT

Trying its water wings

When Lufthansa pulls in its aircraft for regular checks and overhauls every six years or so, it no longer douses them with powerful paint stripping agents that contain harsh chemicals such as dichloromethane and phenol.

Instead it gives them the water treatment. At the national carrier's new DM230m (£90m) paint hangar in Hamburg, a stream of high-pressure water is directed at each aircraft. This forces itself under the paint layers and peels them off.

The paint has to be removed so that aircraft can be inspected for cracks and corrosion.

Before Lufthansa perfected its robotically operated Aquastrip process, which it will make available to other airlines, stripping one of its Airbus A300s needed some 2.5 tonnes of unpleasant chemicals and left 10 tonnes of liquid waste.

With Aquastrip, lukewarm water is shot towards the aircraft at a shallow angle from a rotating nozzle. Turning at 6,900 revolutions a minute, this creates a *fan-shaped stream of water so fine* that it does not damage the aluminium skin of the wings and fuselage.

Aquastrip works precisely enough for the three coats of paint to be peeled away separately.

Each nozzle sprays water at the rate of 37 litres a minute. This water is then recovered and cleaned of the paint particles. Lufthansa engineers hope to be able to recycle 97 per cent of the water. The particles are burned in a special waste incinerator.

Before deciding on Aquastrip, Lufthansa, which has around 220 aircraft, tried other non-chemical methods of paint removal. One was blasting with dry ice; the paint layer was broken up by the temperature shock and then ground away by the sharp-edged crystals. However, this method put a heavy stress on the thin aircraft skin and could therefore be used only once in its service life. It also consumed a large amount of energy.

Lufthansa has found that Aquastrip not only helps the environment. It is even quicker than the old chemical techniques.

Andrew Fisher

Containing a spent force

Virginia Marsh looks at G7 plans to make Bulgaria's Kozloduy nuclear power plant as safe as possible

After three years of discussion over how best to provide emergency aid for the 58 Soviet-designed nuclear reactors in the former east bloc, the Group of Seven industrialised countries has finally begun to act. It has just agreed its first joint project, an Ecu24m (£18m) grant to *Kozloduy*, Bulgaria's troubled nuclear power plant.

The grant will be used to import safety equipment for Kozloduy, declared Europe's most dangerous nuclear power station in 1991. It will be paid out of the Nuclear Safety Account which was set up by the G7 at the European Bank for Reconstruction and Development last March and had received contributions of Ecu115m by June.

In return, the Bulgarians have agreed to shut down the plant's four 440MW VVER (old pressurised water reactor) units – which lack containment to enclose them in an accident – as soon as financially possible, which may be by 1998. The EBRD aims to make the plant as safe as possible until this happens.

Unlike many of the region's other nuclear plants, Kozloduy has already received much western attention. "Until now, we've received around Ecu18m from the EC's Phare programme (funding eastern European projects) and had some 1,000 western experts visiting Kozloduy, but this has been spent mainly on analysing the plant and its problems, and on retraining staff," says Nikita Shervashidze, deputy chairman of the Bulgarian government's Committee of Energy.

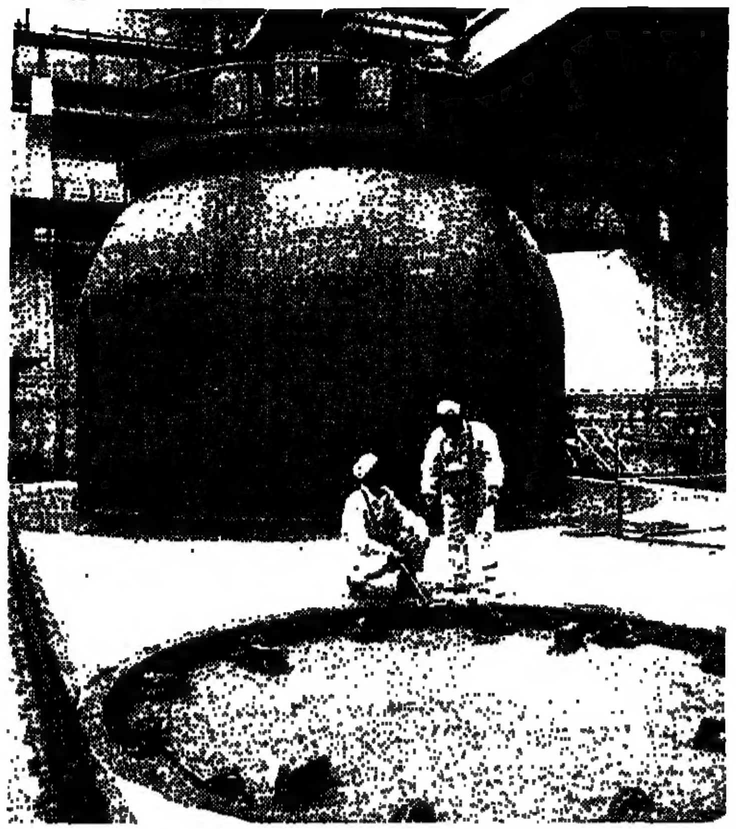
"*The EBRD grant will provide us* with hard currency to buy foreign safety equipment. This will include process computers to make the system more user-friendly, extra cooling devices, isolation valves, spare parts and ultrasonic inspection equipment for the pressure vessels." The equipment will be purchased through tenders which the EBRD will help NEK, Bulgaria's state-owned electricity monopoly, to organise.

"One of the weakest points of electricity companies in the former east bloc is organising procurement, arranging financing and dealing with western banks. We have no experience in this and will rely on the EBRD's support," Shervashidze says.

"We hope we can complete the project within 18 months and set up a model of how it can be done for other recipients of grants."

But it is clear the west must provide much more funding if the project is to fulfil its long-term aim of seeing units one to four closed down.

The Bulgarians are adamant the country needs nuclear energy and say Kozloduy supplies between 35 and 40 per cent of the country's *electricity*.



Kozloduy was once described as Europe's most dangerous nuclear plant

Due to the ageing of the country's non-nuclear plants, this share could rise to 50 per cent, according to Yanko Yanev, chairman of the Bulgarian Nuclear Safety Authority (RNSA).

He says the country will not close down the reactors until it can finance the upgrading of Kozloduy's remaining two 1,000MW units. "We are willing to co-operate but we cannot accept some sort of conditionality.

"We are trying to look for energy *options which will permit closure of* units one to four, although three and four are relatively new."

But the two 1,000MW units could cost $500m (£357m) each to modernise and be made more reliable. They are considered safer than the 440MW reactors as they have containment facilities, but have proved to be a less dependable source of electricity than the older units.

Last September a fire in unit six closed the 1,000MW units – they share a common spare power *supply*.

Shervashidze is hoping the EBRD will also help Bulgaria to secure commercial loans for the upgrading work and for a second nuclear project on the Danube at Belene which is 60 per cent complete.

But the country looks like having little chance of raising substantial funding from the west – negotiations with the London club of commercial banks over Bulgaria's $11bn debt broke down again in July.

Also, many western countries and institutions, notably the World Bank, believe that nuclear energy is no longer cost-effective and will not finance new nuclear plants.

Ivan Uzunov, professor of atomic energy at Sofia University, believes Kozloduy and other Soviet-built reactors in the region can only be made to pay if safety standards are compromised. Uzunov, who has advised western countries such as Austria and Italy on nuclear policy, says a grant of Ecu24m is "absolutely nothing" compared with Kozloduy's immediate needs.

He acknowledges the plant's safety has improved substantially in the past two years, but says he is still not satisfied that units two and three are sound enough to operate or that the plant's 7,000 employees have had enough training.

But his main concern is the build-up over the past three years of 600 tonnes of spent radioactive fuel elements at Kozloduy which are being stored in pools of water. In cold war days, these were reprocessed by the Russians at little cost to the Bulgarians. Now, the *country faces reprocessing bills of* $1,000 per kg.

Shervashidze says Kozloduy has storage space for the spent fuel elements for two more years. He hopes that by then, Bulgaria will have built dry storage facilities – but again, this requires financing. Uzunov would like to see alternative storage facilities built as soon as possible.

He says that an explosion at the Soviet Kishtim nuclear plant in the Urals in 1957 was caused after 70 tonnes of spent fuel elements overheated due to a shortage of water; parts of the region are still contaminated.

He also believes the Bulgarian authorities have not received enough independent advice and have been influenced by the western nuclear industry, hungry for new orders in eastern Europe due to falling domestic demand.

As an alternative to spending on nuclear energy, he is lobbying for western help to improve energy efficiency at conventional power plants and increase Bulgaria's connections to international gas *pipelines and electricity networks.*

Suchard grazes on green pastures

Frances Williams reports on a 'feel good' factor that counts

Tree planting and chocolate may not seem to have any obvious connection. Yet Jacobs Suchard, the Zurich-based chocolate and coffee group, was delighted three years ago to accept sponsorship of reforestation projects in the Alps.

"The idea could have been invented for us," says Walter Anderau, head of corporate affairs. The connection is supplied by the lilac Milka cow, a symbol of one of Jacobs Suchard's most popular chocolate brands. By protecting the habitat of the Milka cow – a Simmental cow painted lilac for Suchard's packaging – the message that the chocolate is made from healthy Alpine milk is made more credible, he argues. Jacobs Suchard's main markets are Germany, France, Switzerland and Austria, all with Alpine regions.

Since 1991, Jacobs Suchard – part of US products conglomerate Philip Morris – has sponsored the planting of 300,000 trees in five countries as part of its collaboration with Alp Action in the "Green Roof for Europe" campaign. This is the *biggest* of the 30 projects launched by Alp Action, founded by Prince Sadruddin Aga Khan to mobilise corporate funding for environmental protection in the Alps.

The project, which has cost Jacobs Suchard more than SFr1m (£444,000), has involved thousands of children and plays a key role in its marketing strategy.

Last week, Alp Action and Jacobs Suchard staged a tree planting event at Lenk, home of the Milka cow, to mark plans to continue their "Green Roof for Europe" partnership. Reforestation projects are scheduled for Austria, France, Germany, Italy, Slovenia and Switzerland over the next two years.

Jacobs Suchard's concern for the environment does not stop with tree planting. Since 1986, it has sought to "green" its activities across the board.

It started with a rethink of packaging requirements, necessitated by the need to streamline packaging inherited from acquired companies. The group has since extended its environmental concerns to production, transport and its housekeeping.

Jacobs Suchard uses a recyclable plastic monofoil for its Milka Lila Pause chocolate bar which is cheaper, "greener" and attractive to consumers. Its redesigned chocolate boxes have saved up to 50 per cent on packaging and dispensed with polyvinyl chloride.

Similarly, coffee in Germany is sold in vacuum packs containing practically no aluminium. With the same product protection, Jacobs Suchard claims to have reduced waste by 47 per cent, energy use by 37 per cent and water consumption by 48 per cent. The company plans to extend monopacks to all markets.

Further down the chain, the group uses multi-entry pallets of recyclable materials for shop deliveries. These pallets are later collected and re-used. In this way, Jacobs Suchard has cut the total amount of primary and secondary packaging by 5 per cent – 10,000 tonnes – in three years.

Fuel use per cubic metre transported by the company has been more than halved from 1987 levels. Packaging has been redesigned and standardised with efficient packing and transport in mind. Cocoa and coffee beans are increasingly shifted by rail in special bulk containers; half the tonnage moved by Jacobs Suchard last year went by train against 5 per cent in 1987.

All this greenery is, says Anderau, more a "feel good" factor than a big money saver. Financial costs and benefits are often difficult to identify. Environmental objectives are just one factor in the investment in new packaging or factory modernisation.

The company has invested directly about $23m (£15m) since 1977 on environmental protection measures. This includes $4m on its new chocolate factory in Berlin and $3m (with $10m more planned) on its Lörrach facility near Basle. Anderau reckons these costs probably offset a large part of the savings from pro-environment activities.

However, the "feel good" factor counts, for Jacobs Suchard's workers and its consumers. At Lenk, Jacobs Suchard launched a programme to plant a tree for every baby born to an employee's family, an Alpine farming tradition.

PEOPLE

Thompson: no rank outsider

David Thompson, until the beginning of this week non-executive chairman of Rank Xerox in the UK, yesterday moved to Gestetner Holdings. The office equipment distributor has been looking for a part-time *chairman since May*, when Inchcape took a 15 per cent stake and Australian entrepreneur Basil Sellars, who had been chairman and chief executive as well as, indirectly, a substantial shareholder, gave up his executive responsibilities.

In the photocopier market, Rank Xerox and Gestetner are competitors in the medium and smaller machines.

Thompson, 61, who admits to a "slight lump in the throat" at leaving the company for which he has worked for 27 years, felt *far too young* to retire. Hence, when presented with the current opening, his reaction was simply one of "why not?". He adds: "With all the wisdom of 12 hours' experience, it looks as if Gestetner has a reasonable operating structure. It is quite strong in Latin America, and doing reasonably well in the Far East. Europe is poor, but so it is for most companies." In *May, a fellow country*man of Sellars', Greg Megaard, was appointed group managing director.

Thompson says there will be "an executive tinge" to the job, which will entail "taking a close interest in the financial aspects of the business".

Meanwhile Sellers stays on as a *Gestetner non-executive* director. "The classic assumption is that we will be tripping over each other," Thompson acknowledges, but is adamant that this will not be the case. "We have talked about it," he says firmly.

He expects to be in the chairman's seat "circa three years, maybe longer...if my performance is satisfactory".

Coming to office machines via the colonial police in the former Northern Rhodesia, Thompson moved to IBM, working in the UK and the US, *before joining Rank Xerox. He* has been chairman of Rank Xerox UK since 1990.

Young quits ITN for BBC

Mark Young, for two years *head of business affairs at ITN*, is to follow his former boss Bob Phillis, now BBC deputy director, to the BBC.

He starts next Tuesday as chief assistant to the deputy dg – who was poached by the BBC from his job as chief executive of ITN in January. Young will provide back-up across the whole range of Phillis's responsibilities, which include the managing directorship of the BBC World Service and co-ordinating the BBC's international commercial and resource activities.

Young spent his time at ITN looking at new business opportunities and drawing up business plans. He was also part of the team which put together a London radio franchise application for a consortium in which ITN has 20 per cent.

Before joining ITN he was a consultant in the media group at Coopers & Lybrand Deloitte.

■ **John Hakes, chief executive of Thorn EMI Security and Electronics, the company's defence electronics arm, is to take immediate "early retirement" as part of a radical shake-up at Thorn EMI's defence arm.**

The changes follow Thorn EMI's failure to sell its defence electronics business to GEC, despite months of negotiation. For at least a year it has been clear that Thorn wants to concentrate on its music and rental businesses, and to dispose of non-core activities. However, it seems that Lord Weinstock was unprepared to pay anything like Thorn's asking price, which is thought to have been in the £150m range.

Hakes' retirement follows the resignation last month of John Taylor, the company's former defence systems managing director.

Insurance moves

■ **Hugh Prior has been appointed deputy chairman and Rolf Horst to the board of BMS RE, part of Ballantyne, McKean & Sullivan.**

■ **Jonathan Coote has been appointed deputy md of SUN ALLIANCE GROUP PROPERTIES, and not of Sun Alliance as stated on August 17.**

■ **Brian Jamieson has been appointed company secretary of REFUGE GROUP and Refuge Assurance. Derek Whitehead has been appointed IT director of Refuge Assurance.**

■ **Nancy Kinck has been appointed actuarial & research director of LONDON & EDINBURGH INSURANCE GROUP.**

■ **John Martin has been appointed group finance *director of PEGASUS* ASSURANCE GROUP.**

■ **David Reed has been appointed md of ASHLEY PALMER HOLDINGS and Ashley Palmer Syndicates.**

■ **David Margrett (below), md of LOWNDES LAMBERT's UK operations, is now responsible for the group's operations worldwide.**

■ **Brian Dozey**, previously executive director of United Distillers' subsidiary in the Canary Islands, has been appointed marketing director of UNITED BREWERIES.

■ **Andrew Ramsay** has been appointed Grade 3 at the Department of NATIONAL HERITAGE in charge of the Arts Division, the National Lottery Bill team, the Government Art Collection and the Millennium Commission Unit.

■ **Alan Ross**, formerly sales director of Newcastle Breweries, has been appointed sales director of BOOKER Fitch Food Services.

■ **Paul Rich** has been appointed director of POST OFFICE COUNTERS' Financial Markets Business Centre.

Pilsworth selects Chrysalis

SelecTV, the independent production company that was earlier this year upset by wranglings between co-founders Michael Buckley and Allan McKeown, is losing its managing director Michael Pilsworth, who had been in charge of the UK side, to Chrysalis.

Pilsworth joins as managing director and chief executive of the newly created visual entertainment division, which groups together a number of operations including the TV production company, the home video operation and Red Rooster Film.

Last November, Chrysalis brought Steve Lewis on board from Virgin to head up the music division, and group chairman Chris Wright says the senior management team is now complete.

Pilsworth, 42, says he had been talking to Wright, whom he has known since student days at Manchester University, for the past year. But it was not until now that he felt he could leave SelecTV so that the transition, in what is a very small company, would be "as seamless as possible". McKeown is returning from Los Angeles, where he had been based, having opted to run down the US operation. Buckley was ousted as chairman in March.

"For me Chrysalis is a fantastic global brand name in the record business; it provides a great opportunity to capitalise on that goodwill for the visual entertainment side."

Chrysalis is also targeting a younger audience, in terms of mentality and cultural interests, if not in age.

Hence it was no accident, Pilsworth thinks, that SelecTV executives were avid golfers when he was not. Now, by contrast, he is about to take an intensive tennis course in Spain.

A lecturer in psychology at Manchester before he joined LWT as a research assistant in 1985, Pilsworth moved to TVS before joining SelecTV.

Television/**Christopher Dunkley**

Scrambled Sky at a premium

Sky Television is currently urging satellite viewers to phone for details of "A brand new Sky". Do so and you receive a 36-page sales brochure which declares "Summer's here and there's a completely new look to satellite television on the way. The Sky Multi-Channels Package will be the most exciting thing to hit your TV screen in years. There are brand new channels to satellite (sic) and a new way of receiving all your current favourites. Sky Multi-Channels launch on September 1, so hurry to page 11 to read all about it. You could also win a brand new Vauxhall..." This seems to be Sky-speak meaning "From September we shall be adding new channels to the output. Most of the material will be American. At the same time we shall scramble the signal on all but one of the Sky services so that we can charge you for what you were previously watching for nothing. You could also win a brand new Vauxhall..."

The minimum "package" of 12 scrambled channels will cost £4 a month for the remainder of this year and then £7 a month from January. That will bring you the general entertainment channel Sky One, the Children's Channel, the British repeat channel UK Gold, and the nine new channels listed below. Add to that package one of the "premium" channels (The Movie Channel, Sky Movies Plus, or Sky Sports) and the price goes up to £12 a month. Add two premium channels and the cost is £17 a month. For all three it is £20 a month. With the two top price packages you get Sky Movies Gold thrown in, though it is *neither a premium channel nor* part of the basic package. Thus the lowest priced Sky package will, from January 1994, cost £84 a year: £1 more than the BBC licence fee. If you take all the Sky services it will cost £240 a year.

What about those in Britain's 2.5m satellite homes who bought their dishes on the understanding that the cost of the hardware, currently around £200, would be all they had to pay, not realising that encryption and subscription would follow? Since the dishes pick up all signals transmitted via the Astra satellite (actually three satellites now in the same position, with 48 channels already useable and more to come) there are still many channels which are neither owned by Sky nor marketed as part of the Sky package which can still be received in clear, though most are German or Dutch language services. English language channels which will continue, for the moment anyway, to be available free to those who cannot afford to pay another £84 a year, or who simply decide to resist Sky's urgings, will be Ted Turner's global news network CNN, Sky News (which is presumably staying unscrambled to compete with CNN), the 24-hour rock video channel MTV, Eurosport, and Turner's Cartoon Network which is due to arrive soon.

And what are those "brand new channels" which Sky is offering as an inducement to pay a subscription? There are nine: The American children's channel Nickelodeon. A 24-hour home shopping channel called QVC ("quality, value and convenience"). The Family Channel showing series such as *Remington Steele* and *Big Brother Jake*. Discovery, a factual channel specialising in wildlife, travel, "adventure", etc. Two more all-music networks: CMT, or Country Music Television; and VH1, or Video Hits One, which seeks to be an adult version of MTV "for the generation that grew up with the music". A women's channel called UK Living, described by Lis Howell, head of programming, as "the elastic waistband" station; she warns that it will be "domestic" and "undemanding". Two American "retro" channels: Nick At Night which claims to be "dedicated to the preservation of television's heritage"; and Bravo which promises "treasures from the vaults".

This appears to be the sort of "niche programming" that we have so long been told is the natural outcome of the multi-channel systems brought in by satellite and cable. UK Living will presumably screen *British material, though only* 2½ of their 18 hours a day will be original programming, and perhaps QVC's goods will be British, though we shall have to wait and see. Marketing programmes currently filling spare time on some satellite channels at night seem to sell only American products – plastic house painting kits, kitchen knives, car cleaners – with "programmes" made in the US even though the presenters are invariably British. Those services aside, it looks as though these nine networks will consist almost exclusively of American material, most of it old, some of it quite astonishingly so.

There is a very long way to go in anything other than news and sports programmes before satellite and cable can be seen as anything other than re-packaging parasites

Few of these new – well, new to Britain – channels have even started test transmissions yet, but Bravo and Discovery have been running in clear for a couple of weeks, so it has been possible to get an idea of what they, at least, have to offer. The answer is a strong whiff of nostalgia, an overpowering sense of American cultural values, and a feeling of stringent budgets. There is some British material here: on Discovery I have seen *Bellamy's Bird's Eye View* and several *Loch Ness Updates* covering a scientific hunt for a monster. There was even a European programme on Saturday evening, a 60-minute production called *Airbus*, about the building of the aeroplane, but as this droned on – "Here's the comfortable six-abreast business class... comfort on board is unique... preparation has been patient and minute in its details" – it became impossible to believe that it was not, literally, a promotional video produced by the marketing department of Airbus Industries. Perhaps they paid Discovery to screen it; I hope so.

More common are old American programmes such as *The Story Of Rock And Roll* which includes Joan Baez, Bob Dylan, and The Byrds but excludes The Beatles, The Rolling Stones and anybody else who happens to be British. The subject of Friday's *Biography* was Joe Di Maggio, baseball player and Marilyn Monroe's sometime husband from the 1950s. The footage was, like much on Discovery, in black and white. In case you missed them *Airbus* and *Biography* were repeated mid-evening on Saturday, having also been shown the previous Tuesday. *American Caesar* turned out to be an old black and white documentary about General MacArthur.

Bravo's material is even more consistently black and white than Discovery's, and although it does include old British B-movies (an antique Edgar Wallace called *To Have And To Hold* with William Hartnell and Ray Barrett as detectives, the 1965 "silent" black and white comedy *A Home Of Your Own* with Willie Rushton, Bernard Cribbins and others on a building site, and so on) it, too, relies mainly on geriatric American television series. Friday brought *Car 54 Where Are You?* followed by *The Doris Day Show* and, later that evening, one of the oldest American series I have ever seen on British television: *Art Linkletter And The Kids*. It is *amazing that these exist at all*, having been made in the fifties and, I suspect, even the late forties.

We seem to be rapidly reaching the point where the world's (well, Britain's and America's) entire stock of old television programmes is being run on one channel or another all the time. It is, no doubt, a cheap way of filling schedules, in which case we may wonder why we are asked to pay such a relatively high price. Though there are 12 channels, with possibly more to be added, in Sky's basic package, they contain far fewer original programmes than the BBC's two channels or ITV and Channel 4. True, in October Sky One will be the first *channel in Britain to screen Queen*, sequel to the two *Roots* series (American of course) and the network is currently in the process of producing a dramatisation of the Ken Follett novel *Red Eagle*, the first time they have ever done such a thing rather than buy from the American and Australian stockpiles.

However, there is a very long way to go in the origination of drama, documentary, comedy, arts – virtually all types of programme other than news and sport – before satellite and cable can be seen as anything other than re-packaging parasites. The technology may be wonderful but we do not watch the technology, we watch the programmes.

Alastair Muir

Louise Bangay and Andrew Hawkins: faced with a daunting task in Shelley's drama

Theatre/**Andrew St George**

The Cenci

The brief career of Percy Bysshe Shelley (1792-1822), poet and atheist, strayed into drama in 1819 with *The Cenci*, an ungainly tragedy bravely staged by The Damned Poets Theatre Company at the Lyric Hammersmith Studio.

The Cenci is domestic horror from 1599. The debauched and lubricous Count Francesco Cenci, quavering on the edge of sanity, tyrannises over his household. Only his daughter, Beatrice, stands up to him. But when he rapes her, the rest of the family, egged on by a slippery cleric, Orsino, has Cenci strangled to death while he sleeps. The murder is discovered by an emissary from the Vatican with a warrant for Cenci's arrest; instead, he arrests the family. Beatrice's brother and step-mother confess under torture, and are sentenced to death.

While Shelley was writing this, his sister was turning out the much more popular and profound *Frankenstein*. Instead of modern science fiction, Shelley looked back to Greek tragedy and to Shakespeare, the unacknowledged hero of the play. Cenci is murdered while he is sleeping, like Duncan in *Macbeth*; and the assassination is set about with strange noises and finished off with a knocking at the castle gate, again like *Macbeth*.

Shelley's friends felt the same way; the English Romantic poets reinvented Shakespeare in their own image. Keats was haunted by the sound of the surf in *King Lear*, Coleridge thought he was Hamlet, and managed three plays himself. But none wrote a play in this obscure-Shakespearean style.

The verbal action is unremitting. Every character comes on impelled to speak; and, in accordance with Shelley's views on language, everyone here speaks in metaphors so convoluted that it is hard to grasp the point of each scene. The melodramatic plot has a dreadful claustrophobia about it. The actors are bunched and squashed into a small versatile set (Bruce Gallup) which transports the action from court to prison with a speed Group 4 could usefully copy.

The acting, under the uncalm direction of Sydnee Blake, responds to the excesses in Shelley's text. The effects on stage range from pointless bluster and overdone pauses through to genuinely felt lines, experienced as they are delivered. Louise Bangay as Beatrice and Craig Pinder as Cenci have an uneasy time settling into the mutual loathing Shelley scripted for them, but Bangay manages to find variety in her roles as abused daughter and fiery avenger. Other highlights are Andrew Hawkins as a limber prelate, and Stanley Lloyd as a politic cardinal. Elsewhere the acting was too frenetic and over eager to do the work of Shelley's own energetic verse.

Despite the intractability of Shelley's drama and the excesses of the actors faced with the daunting task of putting it on stage, this *Cenci* is worth seeing. The company should be applauded for its nerve. Shelley was writing, as Beatrice says, of "deeds which have no form, sufferings which have no tongue," and it is a bold enterprise to try to stage them.

Lyric Hammersmith Studio until September 11 (081 741 8701

The Edinburgh Festival

Theatre at the Traverse

Ever since it moved (less than two years ago) to its new premises the Traverse has become a hub of Edinburgh life. Especially in Festival time. Even if you are not going there for shows, you use its café (from 10 a.m. till midnight), you use its bar (open till early hours), you bump into old chums there. And this year, there is also the new Atrium restaurant. The old Traverse crowded you; this one has space.

If you go to Fringe theatre, the Traverse is on your map anyway. This year, even the official Festival has used Traverse terrain, to present the opera double bill *Anna* and *Tourist Variations*. But, for most of the the Festival the Traverse *is* a core venue *for* Fringe plays. Either of its two auditoria is currently showing four different shows per day (except on Mondays), from 12 noon until 12.30 a.m: plays and actors from Scotland, England, Spain, Belgium, Canada, the *States, South Africa. I report* here on five Traverse plays from the start of the Festival.

Penetrator (Traverse 2, world premiere), written and directed by Anthony Neilson, is the best Fringe play I have seen so far in '93 (I write this on Day 8). The worst thing I can tell you of it is that the advance blurb describes it as "a taut and harrowing journey into the ferocious heart of masculinity" – though it *is* taut and harrowing, it *is* a journey into masculinity, and it sure gets ferocious. It is also a thriller about three young Scotsmen, two of whom are ostentatiously heterosexual and occasionally tease the third one that he's a poof; but all is not as it seems. The title warns you. *Penetrator* is about sex and threatened death. The real "thriller" aspect of it, during the long and terrifying knife-point climax, is its series of psychological revelations. Neilson is at his least canny in pacing the final ten minutes, which seem more neat and contrived – though still psychologically riveting. More than that I will not say, except to warn off those who are alarmed by ten-inch knives and four-letter words; and to praise B.J. McMurphy, Alan Francis and James Cunningham for the exceptional conviction and fluency of their playing.

The Edinburgh Festival often gives Londoners a chance to catch up with what we missed back home; and I am grateful for the chance to catch up with the Ridiculous Theatrical Company (Traverse 2), the New York troupe which recently played at the Drill Hall. *Brother Truckers*, by *Georg Osterman, is described* as "a Comedy Noir" and "the B-movie story of the men who haul trash and the women who love them": which is fair enough. It too is about sex and death – but is a hilarious exercise in intense camp.

The heroine, Lyla Balskin (Everett Quinskin), is a brilliant Barbara Stanwyck type (with dashes of Bette Davis, Mae West, Joan Crawford and Joan Blondell). The snake-like way she darts her tongue as she names her lover ("Lech", as in Walesa), the smouldering way she hisses out lines like "If you were as bright as your Clairol treatment, you'd know", and her final mad scene are highpoints amid wonderful ensemble playing. I'm not sure, but I *think* my favourite lines was "I'm having difficulty breathing, and, with all due respect to the House of Chanel, this dress isn't making it any easier."

***Alastair Macaulay** finds sex, death and more hilariously camped up*

Speaking of camp, Neil Bartlett's *Night after Night* is playing in Traverse 1; but enough already – I covered that Upstairs at the Royal Court some months ago. Speaking of men, the Spanish show *Muu!* (Traverse 1) is a largely mime cartoon about *four matadors*. I laughed about six times (it is a 70-minute piece), and I object to the performers' mugging and milking each joke dry. True, it is good to know that Spaniards are laughing about both *bullfighting* and the cult of machismo. But, these days, who isn't?

Comunicado, the Scottish theatre company, is presenting its largely non-speaking version of Flaubert's *The Legend of St Julian* (Traverse 1) with just seven performers. You can tell in the first five minutes that the director Gerry Mulgrew has a flair for poetic stage pictures, for pithy atmospheric evocation, for real theatre magic; and, also in the first five minutes, that he hasn't the rhythm to keep his storytelling taut – and the show lasts 135 minutes. Flaubert's medieval tale is laconic. Mulgrew catches some of its events with striking economy; but he draws out others, and allows composer Jim Sutherland to overdo the misterioso sound effects.

Sleeping With You (Traverse 2) is the only one-man play the Traverse is presenting this year. Written by Godfrey Hamilton and played by his lover Mark Pintosh, this piece *comes* from Hawaii's Starving Artists Theatre Company. Despite the fact that it is a deliberate vehicle for one person's actorly virtuosity *and* a piece of socio-political agitprop (two big minuses in my book), it is arresting, varied, intelligent, *touching* and funny – standing both inside and outside its subject.

In *Sleeping with You*, Pintosh plays both Marco and Andrew, shows their affair from different slants, depicts the whole sleaze scene of Hawaii gay hustlers, speaks of gay promiscuity, of serious gay love, and of Aids. Then he relates the big gay march on Washington D.C.; the organisers yelling "I need to tell you we only have a permit for civil disobedience in *this* area"; and the "pale queers" from Wisconsin chanting "We're *tired*, we're bitchy, we want our rights *now*." Any play that can suddenly make you guffaw out of the blue after an hour, and that can laugh at the cause it preaches, has real control.

Brother Truckers and *Night after Night* continue until August 29; *The Legend of St Julian* until September 4

Novelty concerts from Spain

Away from the main themes of the festival there has been a delightful pair of concerts from Spain. The Orquestra de cambra Teatre Lliure arrived in Edinburgh without much of a fanfare and offered little biographical information about itself except that it was founded in 1985 by the conductor Josep Pons and performs 20th-century repertoire.

Its calling-card comprised two imaginative concerts: a pair of Spanish programmes, one of music by Manuel de Falla, the other of Roberto Gerhard, composers from very different artistic backgrounds. If they have one trait in common, it is a liking for strongly-contrasted colours, as we heard quite vividly. The Edinburgh prospectus had advertised the orchestra as "brilliant", an epithet which did not seem excessive after the event.

The Falla concert was held in the Usher Hall, but probably should not have been. Despite an audience turnout which justified the use of a large hall, the chamber versions of the scores that were being played could hardly make the impact they deserved. For one work – Falla's pithy Harpsichord Concerto (wisely performed here in an alternative version for piano) – there were only six players on the platform.

Given the novelty of the pieces the orchestra had brought, one really wanted as immediate a contact with the players as possible. Two of Falla's most popular works were on the programme, but each in a rarely-heard original form: *El corregidor y la molinera* (later to spawn *The Three-cornered Hat*) and the first version of *El amor brujo*.

The second was the eye-opener, both because it is longer than the usual version and because its nature is so different. Originally the music developed out of a chain of recitation, songs and dances. It was described as a "gitaneria", or gypsy-piece, folk music at heart in a way that one could hardly guess at from the orchestral showpiece we usually hear. The singer, Ginesa Ortega, gave us real Flamenco in the songs, guttural, raw, full of passion – no concert-hall sophistication there.

For the Gerhard programme the orchestra moved to the small Queen's Hall. An irony this, as there were now more musicians on stage than for the largest of the Falla scores. But this was to Gerhard's advantage and even the two very derivative Spanish works that had been included – the Flamenco divertissement *Alegrías* and the song-cycle *Cancionero de Pedrell* based on Spanish folksongs – came across with some bite and flair.

I suspect there is not much of the true Gerhard in either of those. A short cycle of songs to surreal poems written in French by a Catalan poet in the Japanese style proved to be attractive, precious, not particularly distinctive. It was the ballet score *Pandora*, composed in Cambridge in 1942-3, that best showed how dramatic and evocative this composer can be, its sense of enveloping doom typical of the war years.

Richard Fairman

INTERNATIONAL ARTS GUIDE

■ BAYREUTH

The final three performances of this year's festival are Werner Herzog's 1987 staging of Lohengrin (tomorrow), with a cast led by Paul Frey, Eva Johansson and Ekkehard Wlaschiha; Dieter Dorn's 1990 production of Der fliegende Holländer (Fri), conducted by Giuseppe Sinopoli, with Bernd Weikl as the Dutchman and Sabine Hass as Senta; and Heiner Müller's new production of Tristan und Isolde (Sat), conducted by Daniel Barenboim and designed by Erich Wonder, with Siegfried Jerusalem and Waltraud Meier in the title roles. Next year's festival will include a new Ring production conducted by James Levine and staged by Alfred Kirchner, with John Tomlinson as Wotan, Wolfgang Schmidt as *Siegfried and Deborah Polaski as* Brunnhilde (0921-20221)

■ BERLIN

This year's festival (Aug 31-Sep 30) is a meeting point between Europe and Japan, with performances by Tokyo Ballet, New Symphony Orchestra of Tokyo, traditional Kabuki and Noh theatre companies and other Japanese ensembles. There will also be an exhibition at Martin-Gropius-Bau entitled Japan and Europe 1543-1929, with more than 500 objects tracing the development of Japanese art and the influences which Japanese and European art have had on each other. The main orchestral concerts are conducted by Abbado, Ashkenazy, Barenboim, Maazel, Norrington, Sanderling and Tennstedt. Alfred Brendel and Maurizio Pollini play Beethoven piano sonatas, and there will be a series of Bach recitals featuring Andras Schiff, Peter Serkin, Bruno Canino and Yo Yo Ma. Peter Brook brings his Paris-based company with L'homme qui (Berliner Festspiele Kartenbüro, Budapester Strasse 50, D-10787 Berlin. Tel 030-254890 Fax 030-254 8911)

■ BESANCON

Besançon's prestigious conductors' competition coincides with its annual music festival, which runs this year from Sep 4 to 17. Guest ensembles include the Czech Philharmonic under Gerd Albrecht, the Orchestre National de France under Charles Dutoit, the Orchestre National de Toulouse under Michel Plasson and the Hilliard Ensemble. There will *also be a special Maurice Ohana* commemorative concert given by Les Percussions de Strasbourg (8181 8226)

■ HEIDELBERG

The final week of this year's open-air festival at Heidelberg Castle features Cav and Pag, Romberg's The Student Prince sung in English, and Haydn's rarely staged L'isola disabitata (06221-583521)

■ HELSINKI

The festival, celebrating its 25th anniversary, opened last night and runs till Sep 12. This week's programme includes recitals by Jessye Norman, Julian Bream and Tokyo String Quartet. Next week's programme is dominated by orchestral concerts conducted by Jukka-Pekka Saraste, Leif Segerstam, Marek Janowski and Esa-Pekka Salonen, who brings the Swedish Radio Symphony Orchestra for two programmes including music by Bartok, Lutoslawski and Lindgren. There are also performances by Ingun Björnsgaard Dance Company, Susanne Linke Dance Company and the Avangil ensemble, which brings classical and modern Islamic music from Turkey (664466)

■ LINZ

This year's Bruckner Festival runs from Sep 11 to Oct 3. The opening performance of the Eighth Symphony will be given by the Bavarian Radio Symphony Orchestra conducted by Lorin Maazel. Other visitors include the Hilliard Ensemble *with a programme of choral music* by Bruckner, Pärt, Purcell and Cage. I Solisti Veneti with works by Respighi and Wolf-Ferrari conducted by Claudio Scimone, and the Russian pianist Lazar Berman. Horst Stein conducts the Bamberg Symphony Orchestra in Bruckner's First Symphony, Philippe Herreweghe conducts La Chapelle Royale in Bruckner's Mass in E minor with wind accompaniment, and the final two concerts are given by the London Philharmonic under Franz Welser-Möst (Brucknerhaus-Kasse, Untere Donaulände 7, Postfach 57, A-4010 Linz. Tel 0732-775230)

■ PICARDIE

The handsome collection of *cathedrals and châteaux in the* region surrounding Amiens north-east of Paris provides the context for two weeks of concerts (Sep 10-25) spread around 13 different towns. Hungarian music and musicians are strongly represented this year: the Children's Chorus of Hungarian Radio gives three concerts featuring music by Liszt, Kodaly and Bartok, while the Hungarian State Symphony Orchestra and Erkel Chamber Orchestra include works by Leo Weiner and Liszt in their programmes. Yuri Bashmet gives a recital, Joshua Rifkin conducts Bach's B minor Mass and Philippe Herreweghe directs Monteverdi's Vespers (0546 3185)

■ PRAGUE

In addition to the Prague Spring Festival, the Czech capital has in *recent years built* an autumn music festival around the distinguished violinist Josef Suk. Entitled Festival of Music Prague, it consists of recitals, chamber music concerts and small-scale orchestral and choral concerts. This year's event runs from Sep 20 to Oct 5, and features a strong dose of Beethoven, Bach and Mozart alongside familiar and less familiar Czech composers. In addition to the Suk Chamber Orchestra, artists at the festival include Yo Yo Ma, *Maurice André, Cecile Licad, Rudolf* Buchbinder, Viktoria Mullova, Shlomo Mintz, Renato Bruson and Sandor Vegh. Among the more exotic programmes is a choral concert on Sep 25 pairing Schubert's Mass in G with a Stabat Mater by the late 18th century *Bohemian composer Johann Baptist* Vanhal. Bookings from Festival of Music Prague, Cs armady 12, 160 00 Prague (fax 526583) or Bohemia Ticket International, Salvatorska 6, 110 00 Prague (fax 231 2271)

■ TURIN

Settembre Musica (Sep 1-19) features two concerts per day, one in the afternoon and one in the evening, with a total of 18 free events in baroque churches or open-air piazzas. The opening concert this year is given by the Scala Philharmonic Orchestra under Riccardo Muti. Other guest ensembles are the Bavarian Radio Symphony Orchestra under Lorin Maazel (Sep 4), the Czech Philharmonic with Gerd Albrecht (Sep 5), English Chamber Orchestra with Pinchas Zukerman (Sep 6) and the Kronos Quartet (Sep 18). The festival also has a reputation for contemporary music: a series devoted to Schnittke (Sep 7-11) and two concerts by Ensemble InterContemporain under David Robertson and Pierre Boulez (Citta di Torino, Assessorato per la Cultura, Piazza San Carlo 161, 10123 Torino. Tel 011-576 5564 Fax 011-542801)

■ WARSAW

Despite the presence of chamber ensembles from Lithuania, Czechoslovakia and the Netherlands, this year's Warsaw Autumn contemporary music festival (Sep 17-25) has a less international look than in the past two years, apparently because of economic problems. Nevertheless, the festival continues to provide a worthwhile international platform for Poland's lively contemporary music scene, with prominent contributions from Penderecki, Lutoslawski and Gorecki (*Warsaw Autumn*, Rynek Starego Miasta 27, 00272 Warsaw. Tel/Fax 022 310607)

■ WEXFORD

For this year's festival (Oct 14-31), artistic director Elaine Padmore *has* come up with a classic Wexford trio of unjustly neglected or forgotten operas, with six performances of each: Tchaikovsky's beautiful Cherivichki (The Tsarina's Slippers); Paisiello's Il barbiere di Siviglia; and Zampa, Hérold's once-popular 19th century opéra-comique. A full concert schedule gives prominence to Wexford's young singers. Tickets from Theatre Royal, High Street, Wexford, Republic of Ireland (053-2214)

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Thursday: Festivals Guide.
Friday: Exhibitions Guide.

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Saturday Super Channel: Financial Times Reports 0930
Sky News: West of Moscow 1130; 2230
Sunday Super Channel: West of Moscow 1830
Super Channel: Financial Times Reports 1900
Sky News: West of Moscow 0230; 0530
Sky News: Financial Times Reports 1330; 2030

Sound money man

Michael Portillo talks to **Peter Norman** about tough choices on spending

Three months ago, Mr Michael Portillo, the youthful chief secretary to the Treasury, made an uncharacteristic error of judgment.

The issue of Britain's public finances, he opined, did not get the kind of public attention that it should enjoy. It was "too technical and arcane to evoke consistent interest from media or the public".

Since making that remark in a speech to the annual dinner of the Association of Investment Trust Companies, the state of UK's public finances has hardly been out of the headlines. Not a day goes by without some reference to the £50bn public sector borrowing requirement expected by the government for the current financial year or its implications for the government's first unified Budget on November 30.

The Tory party, hardly pausing for breath after the conclusion of the bruising Maastricht debate, is displaying new divisions over the prospect of painful spending cuts and possible additional tax increases next year.

Since returning from holiday at the beginning of last week, Mr Portillo, 40, who is currently deputising at the Treasury for Mr Kenneth Clarke, the chancellor, has seemed in perpetual motion from radio car to television studio to discuss the public finances.

Yesterday, looking bronzed and relaxed, he put his views to the Financial Times.

The government had two tasks to achieve. The public finances had to be put onto a sound basis, which meant reducing the borrowing requirement. Indeed, "it is essential for the Conservative government to go into the next election with a reputation for sound public finance and in a position where it can explain that it has the public finances in a state where it can plausibly show the path to a low tax economy".

The second task, he said, was to make sure that the amount of national income which is taken by the state was reduced.

"We are committed to that in the manifesto," he said. "In other words the proportion within gross domestic product represented by public spending must be cut. And even if we had a balanced budget today I would be looking to reduce the proportion of GDP spent by government because I believe that the state is too big, people are looking to the state to do too much, and the proportion of our GDP spent by the government imposes too great a burden on the wealth-creating sector."

But, in remarks clearly addressed to the Tory right, anyone thinking that this could be achieved easily by cutting public spending was living an illusion.

Mr Portillo insisted that the discussions on public spending being conducted by senior cabinet ministers in the so-called EDX committee were going well. But the government's public spending goals, expressed in terms of its so-called control total, of £254bn in 1994-95 and £263bn in 1995-6 were "very tough indeed".

'I believe the state is too big and people are looking to it to do too much'

The control totals, which exclude part but not all of the rises and falls in public spending caused by vagaries in the business cycle, were coming under pressure. "Our present plans would indicate no real-terms increase in the control total between this year and next year, and next year and the year after," and yet certain programmes within the totals were rising faster than inflation.

These included social security, where non-cyclical payments are rising in real terms by about 3 per cent a year, health, education, legal aid and payments to the European Community's common agricultural policy. The government was therefore faced with two difficult tasks.

"One is to constrain the rate of growth of those demand-led programmes, and the other is to find offsetting savings in other programmes."

The problems of rising social security spending are the subject of one of a series of reviews by the Treasury that are expected to set guidelines for reducing the size of state activity over the medium and longer term. But this process was also informing the options available to the government this year.

Mr Portillo said he "could imagine the state disengaging or reducing its commitments to programmes in the short term". It was no secret that it was studying the rapid growth in payments of invalidity benefit to assess whether it was going to the right people.

But "the rate at which you can alter trends in public spending is severely conditioned by the need to alter commitments and therefore to pass legislation".

For that reason the government had to look beyond spending at the rate of economic recovery and the possibility of raising more revenue when judging how it should cut borrowing.

"If we were not now to bring down our rate of borrowing by use of all three means as necessary, we would establish permanently higher rates of borrowing, permanently higher rates of interest burden to be funded and therefore permanently higher rates of taxation."

With the Budget more than three months away and the next financial year over seven months distant, Mr Portillo was careful yesterday to keep open the government's options on future tax increases.

But he held out some hope that the Tory party might not succumb totally to internal strife on the issue.

"I won't deny that there is a debate in the Conservative party. But I think it is considerably less sharp than the one we had in the '80s between wets and dries. All the people debating in the Conservative party are agreed about the need to constrain public spending and the need to have sound public finances. There is a lobbying and jostling around the balance between public spending restraint and taxation increase, and indeed were there to be taxation increases, lobbying about what sort of taxes they ought to be. That seems to me just the normal political interplay."

Private ambitions on public priorities

Damian Fraser on Mexico's attempts to attract investment in its infrastructure

MEXICO'S TOP 10 PRIVATISATIONS

Company	Date	Amount
Teléfonos de Mexico (Telmex)	*Dec 90*	*$5.87bn*
Banco Nacional de Mexico	Aug 91	$3.187bn
Bancomer	Nov 91	$2.776bn
Banca Serfin	Feb 92	$911.2m
Multibanco Comermex	Feb 92	$871.2m
Controladora Mexicana de Communicaciones	Jul 93	$611.9m
Banco Mexicano Somex	Mar 92	$603.3m
Banco Mercantil del Norte	June 92	$587.1m
Compañía Minera de Cananea	Sept 90	$475m
Banco Internacional	Jul 92	$474.4m

Tony Andrews

President Salinas: hopes private sector will improve efficiency

Constrained by an acute shortage of public funds and eager to overhaul the country's deteriorating infrastructure, the Mexican government is inviting the private sector to buy, build, and finance projects on a scale that few other governments in the world have envisaged.

Mexico's telephones, motorways, ports, airports, power plants, water recycling projects and prisons are all now open to private investment. The government also plans to remove the constitutional block on the private operation of railways.

For the programme to succeed, the government will have to persuade both foreign and domestic investors to provide tens of billions of US dollars in funding. It is keen to press ahead because, without sound infrastructure, Mexico would find it harder to compete in the world economy, particularly within the proposed North American Free Trade Area.

But Mexico is only just leaving behind it the problems of excessive debt which it experienced in the 1980s. As a result, many investors are wary of a long-term commitment to it.

The investment envisaged by the government would involve selling off existing state-owned companies and persuading the private sector to build and pay for new projects. The government's current plans would build on reforms initiated three years ago when it sold Teléfonos de Mexico (Telmex), the telephone monopoly, for $5.8bn. The deal required Telmex to invest about $14bn over five years modernising one of the world's most inefficient telephone companies.

Since then, banks and construction companies have been awarded concessions to build about 4,000km of toll roads, costing more than $10bn. Next month, bidding begins for Mexico's first private electricity generating plant. Later this year, or early in 1994, ports and some airports are scheduled to go on sale.

Mr Bill Reinhardt, editor of the US newsletter Public Works Financing says Mexico has "the world's most ambitious privately-financed infrastructure programme." He adds: "While most governments talk about this stuff, few want to give up the monopoly power. Mexico is one of the exceptions."

The impetus has been the poor state of Mexico's basic communications and other amenities. In the 1980s, after Mexico defaulted on its foreign debt and inflation hit triple digits, real public spending on infrastructure fell by an average 9 per cent a year, or more than 50 per cent in a decade. The effects are evident. In parts of the country it can take more than a year to get a telephone. Many trunk roads are riddled with pot-holes. And poor water supply in the arid north has curbed industrial expansion.

In spite of recent improvements in Mexico's economy, including a fall in inflation to single figures, President Carlos Salinas has made economic stabilisation and debt repayment, rather than public investment, the government's priority. The government ran a budget surplus last year, and is currently running another, indicating the squeeze on public funds continues.

While the government is convinced of the desirability of private involvement in infrastructure investment, there have, however, been difficulties. Some toll motorways have run into financial trouble, as construction costs have soared and traffic flows have been lower than expected. The $1.7bn road linking Mexico City to Acapulco is a case in point. It cost twice as much as originally projected. Many construction companies involved have been unable to sell off their equity in it and other roads they have built. And the banks involved have been left with about $1bn of under-performing debt tied to motorways.

The main cause of difficulties is the high cost of capital in Mexico. Moreover, many low-paid Mexicans cannot afford to use the privatised facilities, such as roads, which affects turnover and, with it, profitability.

With interest rates highly volatile, but averaging about 7-8 per cent in real terms in recent months, investors are willing to lock in capital for only five to 10 years. This has meant they have sought to recoup their capital quickly by setting high motorway tolls – at about 13 cents a kilometre, five times higher than in the US. This has made the roads too expensive for most Mexican truck and car drivers.

In an attempt to spread capital costs over a longer period, a category of Mexican infrastructure bond has been introduced. The hope is that, as the economy stabilises, demand for these longer-term bonds will increase.

'There is still economic and political uncertainty and investors are wary'

"Mexicans are not used to thinking about the long-term. But once the economy stabilises, then you can go to long-term financing. We are almost there," argues Jacques Rogozinski, head of Banobras, the state development bank.

In the hope of stimulating a market in private sector financing of roads, the government is to approach international financial markets next month with an offer of $600m in long-term bonds backed by the state-owned Mexico City-Cuernavaca toll road.

These bonds, "could constitute a multi-billion dollar market in a couple of years, given Mexico's infrastructure needs", suggests Christopher Lee, finance director at Tribasa, Mexico's second-largest construction company. Wall Street investors, however, are not so confident. Fears of a peso devaluation, or an abrupt change in Mexican economic policy when President Salinas steps down next year, make many institutional investors nervous about committing themselves to Mexico. For example, a toll road bond launched last year, and secured on a road between Mexico City and Toluca, attracted little international interest, and about half were unsold initially.

"There is still a large amount of economic and political uncertainty in Mexico and investors are wary," says Mr Ron Perry, of Public Financial Management, a consultancy in San Francisco. Infrastructure bonds generally face more hurdles than corporate bonds, he argues, since the foreign currency revenues of an infrastructure project can be hard to predict, are sensitive to exchange rate devaluation, and susceptible to price controls or appropriation.

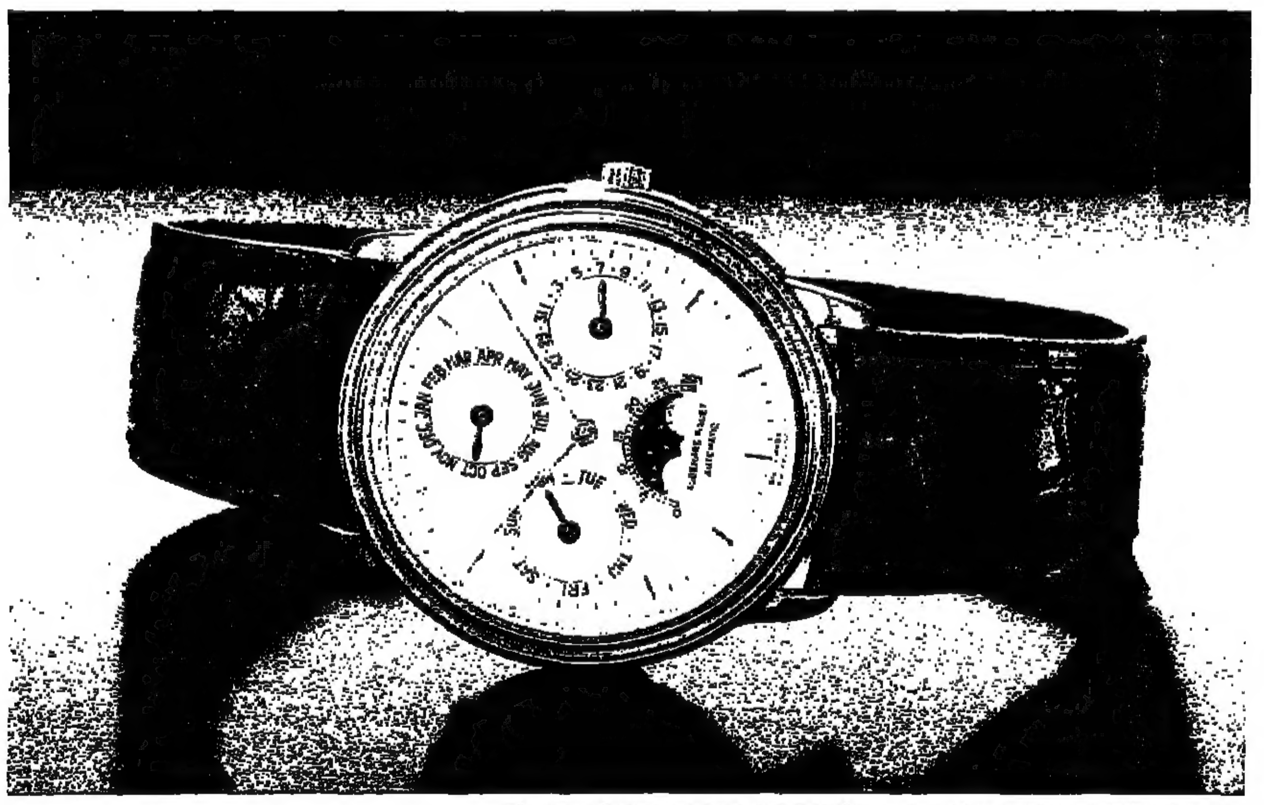
Mr Lee says the development of a long-term market for Mexican bonds depends on Mexican foreign debt being promoted from "junk" to "investment" grade status by one of the main rating agencies, opening up Mexican paper to many US institutions. Both Standard & Poor's and Moody's rate Mexican foreign debt at the equivalent of BB+, one level below "investment" grade.

Until Mexico gains access to long-term debt markets for project finance, bank loans or direct investment may prove the only alternative to bond financing. For now, the government is looking to foreign power companies to foot the bill directly for the planned construction of 40 electricity power plants, each with an output of 350 megawatts, regarded by ministers as necessary to meet future energy demands.

Even if the $18bn needed for these plants is forthcoming, investors are likely to stay clear of Mexico's poorest regions, which are in greatest need of improved roads and water supply systems but whose residents have little money to pay expensive tolls or user fees.

After failing to convince any banks to finance a motorway linking one of Mexico's poorest states, Oaxaca, with the capital, the government recently agreed to pay for the $600m motorway, ironically with proceeds from the recent sale of state-owned television stations.

The Oaxaca project highlighted the difficulties of extending the government's free-market principles in the face of Mexico's widespread poverty and inexperience in long-term financing. It also shows that privatisation may not be the straightforward and trouble-free solution to a crumbling infrastructure that the government likes to think.



LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
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Price theory cannot apply to environment

From Mr Ben Plowden.

Sir, Your leader describes as "absurd" the resistance of many non-conformists to the notion that everything – including rainforests and whales – has a price ("Valuing the environment", August 19).

What is equally absurd is the conviction of economists that everything does have a price, even if it is only a price estimated (by economists) using one of a number of valuation techniques. The logical outcome of this position is that the last whale should be killed or the last acre of open countryside paved over if the economic benefits outweigh both economic and (fully internalised) environmental costs.

Even if the shortcomings of present modes of economics can be overcome, which is questionable, there remains the critical moral issue of whether the current generation has the right to damage irreversibly the environment that will be inherited by our descendants, even if we are willing to "pay" for the damage.

Daly (a World Bank economist) and Cobb argue in relation to carbon dioxide emissions in their book, For the Common Good: "Instead of beginning with the impossible task of calculating full-cost prices and then letting the market determine the right quantities on the basis of these prices, we could begin with the 'right' quantities and let the market calculate the corresponding prices."

This principle applies across the board, with the "right quantities" of environmental costs being those that allow society to function within the quantitative and qualitative capacity of the environment.

Defining those quantities will inevitably be fraught with uncertainty and controversy. It may prove to be more useful and acceptable than waiting for economists to find the "price" of environmentally sustainable economic activity.

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Effects of options on price trends

From Mr Martin Thompson.

Sir, Christopher Green's letter questions the effects of options on the copper market ("Options rise can stabilise copper market", August 17).

While agreeing with him that options provide a valuable service to the base metals industries, I would maintain my contention, quoted by Kenneth Gooding in his article "Copper market responds to 'rogue' element" (August 13), that buying and selling by grantors of options can influence the behaviour of the price in a manner that is indifferent to supply and demand.

By having to buy on a rising market and sell on a falling one in order to protect themselves, granters of options have always contributed to existing price trends. The volume of such options-related buying and selling has now increased to the level at which they can exaggerate such price movements, thus increasing the market's instability.

Any operator in the market who is in a position to deliberately institute a significant movement in the price may well find his efforts powerfully, if involuntarily, reinforced by the many granters of options who have no alternative but to follow suit.

Needless to say, these conditions are not unique to the copper market.

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Anti-intervention argument is weak

From Mr John Lovering.

Sir, Michael Prowse's main argument against President Bill Clinton's redistributive budget ("The case against redistribution", August 16) is as fallacious as it is familiar. Mr Prowse assumes that an individual's pre-tax income is some sort of personal creation, a gift from God or nature. Only taxes or benefits represent a "political intervention". He can only see politics at work when it threatens the status quo, not when it preserves it.

Instead of lauding the rich for shouldering such a large share of the US tax burden, Mr Prowse might consider why they are rich in the first place. Also, he ought to ask why it is that one of the hardest and most important jobs in society, bringing up children, is done by people who are among the poorest.

The fact is that incomes from employment – not to mention earnings from property – are profoundly shaped by inequalities in power. Few, even of the most liberal economists, would pretend that economic theory can even begin to explain it. Supply and demand schedules rest on social inequalities. The truth is that politics is already inscribed in the so-called "initial" distribution of income.

Income is indeed a "distribution" and the unfashionable cake metaphor is not completely inappropriate. Governments cannot but be implicated in the way the cake is divided. Employment legislation (or the lack of it) underwrites the way a few select among the many. Education and welfare policies allocate access to the game. Property rights guarantee the power to receive income from others long after you have ceased to do any work. Governments are already there, ratifying the way the market is rigged one way or another. All that Mr Prowse really has to say is that they should do it his way, favouring those who are already lucky (scribbling apologias, I imagine, is quite nicely paid).

To question the distribution of income and to try to tinker with it is, apparently, to commit the archaic sin of plotting a bit of "social engineering". But there is an awful lot of engineering going on all the time. Mr Prowse's inability to see this, and his delirious idea that politics lives in some separate domain inhabited by unreasonable types, is pure ideology. There is a lot of it about.

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Accountancy needs to emphasise 'true and fair'

From Mr Desmond Goch.

Sir, It was refreshing to read Roger Davis's argument that accountants and accounts users are suffering from a surfeit of accounting standards ("Mass of fine print may obscure judgments", August 19). While the Accounting Standards Board is busily weaving yet another cat's cradle of rules to cover every eventuality in the accounting calendar, too few people have been prepared to stand back to consider if this is really the right road to be travelling.

I take the view that many of the accounts-related problems of recent years can be attributed to inadequate standards of accounting and auditing, rather than to inadequate accounting standards. Mr Davis's plea for a return to an emphasis on personal judgment and the spirit of "true and fair" deserves to have the support of the profession.

Regrettably, the professional bodies are busily engaged elsewhere as they seek to fulfil the role of the statutory enforcement agency for the new auditing regulatory régime, which has been thrust on them by a government that shies away from picking up the bill and the responsibility itself.

Meanwhile, the leading auditing companies are too busy fighting for the top positions in the league tables that have become the virility symbol of professional status. This leaves them with little time or inclination to take a detached view of where company reporting is going. Indeed, they probably believe that a complex accounting rule book strengthens their claim to a monopoly of wisdom in this area.

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Equal pay for women

It is a bold move for the Equal Opportunities Commission to take the British government to the European authorities over Britain's alleged failure to implement an effective equal pay law.

If it wins, the commission, whose members are appointed by the government, will have scored a decisive victory for its long campaign against what it sees as half-hearted mechanisms for enforcing the principle of equal pay for work of equal value, regardless of gender. If it loses, the commission will suffer a serious, perhaps terminal, loss of influence. There has been talk in recent years about rationalising the equal opportunities agencies, possibly bringing together the EOC and the Commission for Racial Equality.

The commission's case is that in spite of the fact that the principle of equal pay for equal work is enshrined both in the Treaty of Rome and Britain's Equal Pay Act, it is not working well. Proceedings under the act, dealt with by industrial tribunals, are complex and lengthy – taking an average of two and a half years. As a result, there have been only 23 successful claims in almost 10 years. Since 1990, the commission has urged amendments to the Equal Pay Act without success. The final straw appears to have been the government's decision to ignore equal pay in its most recent trade union bill, while abolishing wages councils, which provide, in effect, a minimum wage in low-paid industries, such as catering, where many women work.

It is certainly true that the forces driving the narrowing of pay differentials between British men and women have waned in recent years. In 1970, when the Equal Pay Act was passed, the average hourly female wage was 60 per cent of the male. By 1975, when the act came into force, the ratio was 75 per cent. Since then, the figure has only crept up to 80 per cent. It is difficult to be sure how this compares with other EC countries, since comparative figures are judged to be unreliable.

The other side of the coin, however, is that in the 1980s, women found it easier than men to get jobs in all advanced economies. This is partly a result in the shift from the manufacturing to the service sector, but also in part because many women are prepared to accept part-time or more flexible working arrangements in return for lower financial rewards. In Britain during the 1980s, female employment grew at about 2 per cent a year, while male employment was static. British women may hold down a lot of low-paid and often part-time jobs, but at least they have got into the workforce. In 1992, 64.5 per cent of British women had jobs, a significantly higher figure than in Germany, France or Italy, although lower than in Scandinavia or North America, themselves polar opposites in their approach to labour market issues.

This suggests a picture more complex than advocates either of extreme deregulation or tougher laws are inclined to acknowledge, especially at a time when the whole EC is rightly shifting priorities in favour of job creation rather than further regulation of labour markets.

It is not clear that the EOC has adequately recognised this context. Nor is it evident that its most ambitious demand, that individual equal pay awards should in effect be applied as class actions to groups of employees is practical. One long-running British equal pay case involves a claim by a health service speech therapist (a predominantly female profession) for pay equality with colleagues who are pharmacists (a predominantly male occupation). In a highly competitive world, employers are perhaps also entitled to ask why the process of equalising pay between men and women should necessarily involve raising the remuneration of the latter.

It is ironic that this confrontation should be occurring just when Mr David Hunt is establishing himself in the role of employment secretary. Mr Hunt is, by instinct, more sympathetic to the EOC's starting point than was his predecessor. He should now seek urgently to persuade the EOC that he is serious about speeding up tribunal procedures; if he does this, the EOC should negotiate rather than litigate.

Taiwan air

IF THE negotiations between Taiwan and British Aerospace over their proposed joint venture seem to be dragging, there is room for sympathy. For both parties, the failure of the deal would have serious implications. BAe would be harmed both financially and strategically. For the Taiwanese government, the money is less important than the fact that the deal carries the burden of an industrial policy which seems to be causing some argument within the administration itself.

Taiwan's basic problem is familiar enough. After decades of growth and rising wages, it is no longer a low-wage economy. At the same time, it lacks the technology to compete at a higher level, for instance with the US or Japan. Like many other countries, it has identified aerospace as one of the crucial technologies of the future. Since it has almost embarrassingly large financial resources, it proposes to buy its aerospace technology wholesale.

The debate revolves around the fact that by comparison with Korea or even Japan, Taiwan has succeeded mainly through the skills of the small-scale entrepreneur rather than those of the large-scale planner or corporation. The other two countries based much of their early success on the art of picking winners. How far Taiwan can acquire the knack at this late stage is an open question.

This in turn leads to the next question at issue, which is whether aerospace is the right horse for Taiwan to back. Full-scale aircraft assembly is rare both in Japan, which has much more of the relevant technology, and in Korea, which knows all about giant-scale planning. Taiwan has yet to develop an independent motor industry, which is in some ways a plausible precursor to aerospace. Taiwan might perhaps argue that it is a special case. Historically it was not allowed to buy western military aircraft, and thus had to start a fighter programme of its own. In the past year US policy has changed, so that Taiwan now has US fighters and a fledgling domestic components industry which is looking for new business.

That is one argument for linking up with a full-scale aircraft assembler. Another is longer term in nature. There is a vast potential market for short-haul aircraft in the Far East generally and China in particular. Taiwan has good assembly skills and still relatively inexpensive labour to marry with BAe's technology. It also has capital for an industry which is famously cash hungry. If the project did succeed, it could be very rewarding for both parties. All in all, it is not surprising that the negotiators are having a few late nights.

Monks, not devils

THE LAST TIME China tried to cool an overheating economy, in the late 1980s, it did so too late, with a heavy hand and evidently without the benefit of foreign expert advice. The result is history: the economy's hard landing, political turbulence and the international isolation that followed the 1989 Tiananmen square massacre.

This time, China's economic overlord, Mr Zhu Rongji, is determined to do things differently. In the last two months, he has moved deftly and rapidly to combat rising inflation and curb helter-skelter growth by tightening control over the country's financial system and central bank. His measures have probably come (just) in time to permit a softer landing. As remarkably, Mr Zhu is acting in part on the advice of economists from the World Bank and elsewhere – people whom Communist party bosses would only a few years ago have dismissed as "foreign devils".

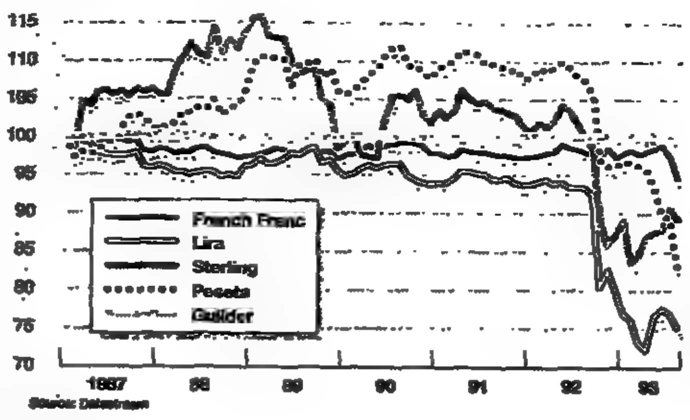
The World Bank has, of course, been present in China for many years and has assisted in Deng Xiaoping's 15-year effort to open up the economy. But the involvement of foreign advisers in recent months is the clearest possible indication of Mr Zhu's desire to cool it down without stifling market reform. Moreover, as the bank points out, the measures he has adopted – a mixture of old-style administrative commands and more sophisticated financial fine-tuning – accurately reflect an economy poised between the distortions of communism and the dynamics of capitalism.

Mr Zhu has a simply gargantuan task in moving further from the former towards the latter: reforms of foreign trade, the tax system, state-owned industry and the welfare state all lie ahead. But in attempting to sort out the financial system first, he has started in the right place. If he perseveres, he may be able to pull off a trick that eluded his predecessors: breaking the economy's boom-bust cycle and engineering a steadier path of growth towards the market.

Prolonged pangs of a difficult birth

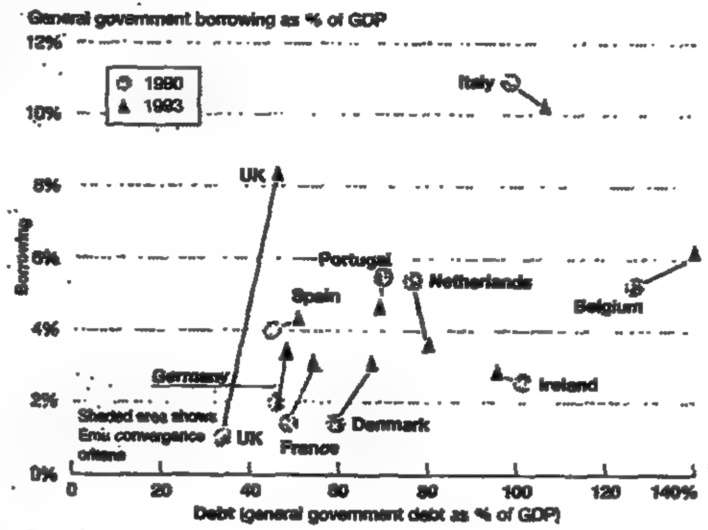
Martin Wolf asks whether the gestation of Emu is following the Maastricht timetable, or could delivery be easier?

The ERM dissolves...



Source: Datastream

...while fiscal policy deteriorates



Source: European Commission/OECD

- 1962: European Commission sets out goal of Emu
- 1970: Werner plan aim of Emu by 1980
- 1973: Final break-up of Bretton Woods system
- 1979: European Monetary System (EMS) starts
- 1987: European Single Act takes effect, laying down goal of Emu. Last general realignment before 1992
- 1990: German unification. Sterling joins the ERM
- 1991: Maastricht summit lays down firm Emu timetable
- 1992: Sterling/Lira leave ERM
- 1993: ERM moves to 15% bands
- 1994: "Second stage" of Emu to start, with creation of European Monetary institute
- 1997 or 1999: "Third stage" of Emu envisaged, with permanent fixing of currencies for EC countries meeting convergence criteria

Is the European Community's project for economic and monetary union alive or did it die with the old exchange rate mechanism?

The achievement of Emu is indeed doubtful, but not because of the change in the ERM, which is perfectly compatible with a move to Emu. The breakdown in the ERM matters more because of what it signifies. Ultimately, a move to Emu requires a political decision to forge a common monetary policy. The Maastricht treaty did not ensure that this decision would be taken. Events since then have cast serious doubt on whether the political will to do so exists.

A monetary union could be forged tomorrow. All that would be needed is for the central banks of two or more EC member countries to make an open-ended commitment to support one another's currencies and, by implication, pursue a joint monetary policy. To the extent that investors would try to convert one money into another, the quantity of the weaker currency would shrink, while that of the stronger would grow. But aggregate money supply of the union would be unaffected. Since a central bank can always create its own currency without limit, such a union is secure, provided the mutual commitment remains in force.

The difference between such an arrangement and the ERM is like that between chalk and cheese. With a limited commitment by the central bank responsible for the strongest currency, the cost of maintaining the weakest falls principally on those responsible for the weaker ones. To reinforce their exchange rates they must increase the cost of speculation, which also raises the costs on domestic borrowers. Since there is a limit to the monetary stringency political realities will allow, no narrow-band parity can be fully credible.

An open-ended mutual commitment is not the only way, in principle, to ensure the main benefits of monetary union. One alternative would be a 19th-century gold standard; another would be a currency board, which is an obligation to convert foreign currency into its domestic equivalent at a fixed price. But the former was successful because it originated from the use of gold as domestic money, developed via a commitment to convertibility of paper money into gold and, above all, flourished when the political commitment to price stability was unquestioned. As for the latter, it demands a credible subordination of one country's money to another. That may be plausible for the Hong Kong dollar *vis à vis* the US dollar, it is not for the French franc *vis à vis* the D-mark.

The EC, in short, cannot be a little bit pregnant with Emu. However protracted and complex the courtship, participants must achieve consummation, conception, pregnancy and birth at one specific moment. That moment need not be indicated in advance. But there must be a decisive shift from separate monies with separate monetary policies to a single monetary policy and perhaps a single currency.

The apparent precision of the Maastricht treaty about how this is to happen is deceptive. In fact the treaty represented a series of awkward, probably unworkable, compromises: between the ostensible German willingness to accept the ultimate goal of Emu, if, like Saint Augustine, "not yet", and the desire of the French to move as quickly as possible; between the need for universal participation and German suspicion of some participants, such as Italy; and between the desire to eliminate the Bundesbank's hegemony and its determination to preserve it as long as possible.

To put off the evil day, while weeding out those deemed unworthy, the Germans insisted on tough convergence criteria; to ensure their happy day would come, the French and Italians obtained what looks like a binding 1999 deadline; to give hope to all who want to join Emu, the convergence criteria are ambiguous; and to give them still greater hope, the European Council is to decide whether a country meets the conditions on the basis of a qualified majority vote. It is difficult to imagine a treaty more conducive to mutual recrimination.

The transition laid out in the treaty contained three principal elements:

- Convergence criteria on inflation, long-term interest rates, fiscal deficits, public debt and participation in the ERM;
- A time-table that is both long – up to six years – and inflexible; and
- A leap from the ERM to Emu managed by an untried and as yet non-existent institution.

The most problematic of these is the first, not merely in light of events, but even in principle. The convergence criteria neither make much sense in themselves, nor, at least as important, help Germany to include those it wants to include and exclude those it wants to exclude. They do not, in other words, help to solve the fundamental political challenge posed by the move to Emu.

The criteria in the treaty were that a country shall possess:

- A currency that "shall have respected the normal fluctuation margins provided for by the ERM of the European Monetary System without severe tensions for at least the last two years before the examination";
- "An average nominal long-term interest rate that does not exceed by more than 2 percentage point that of, at most, the three best-performing member states in terms of price stability";
- An average rate of inflation that "does not exceed by more than 1½ percentage points that of, at most, the three best performing member states"; and
- A sustainable government financial position. This is defined, first by "whether the ratio of the planned or actual government deficit to gross domestic product exceeds" 3 per cent, "unless either the ratio has declined substantially and continuously and reached a level that comes close to" 3 per cent or "the excess . . . is only exceptional and temporary"; and, second, by "whether the ratio of government debt to GDP exceeeds 60 per cent, "unless the ratio is sufficiently diminishing and approaching" 60 per cent "at a satisfactory pace".

The EC cannot be a bit pregnant with Emu. Participants must achieve consummation and birth in one moment

Is the fate of Europe to hang on such obscurities? Consider just a few of the problems.

The interest rate criterion is not independent, since it will be met if Emu itself is credible. Meanwhile, the inflation criterion is merely a relative, not an absolute, one; and assessment of whether or not it has been achieved is not to be qualified by economic performance.

Most important, however, are the fiscal tests, the ones being most comprehensively violated at the moment (see chart). These tests, too, have only limited logic behind them. Above all, as Mr Helmut Schlesinger, the Bundesbank president, has realised, they do not differentiate satisfactorily between countries the Germans might accept inside Emu and those they would not. If Belgium, for example, were to be included, despite its fiscal policy failure, how could Spain be excluded, just because it failed some other test?

These defects in the criteria are a matter of some importance. This is not because successful passing of the tests is a necessary or sufficient condition for a workable Emu. On the contrary, some seem irrelevant, even perverse. The limitation on fiscal deficits in a monetary union with exiguous fiscal transfers seems particularly inappropriate. Interestingly, almost the only criterion that might make sense – the limit on fiscal debt – is the one over which Mr Schlesinger has indicated greatest flexibility. The explanation for this must be political, since the insolvency of a member state might indeed imperil the European Central Bank's independence.

The reason the defects matter is rather different. The tests are essentially an initiation ritual. Applicants for Emu are required to show how committed to monetary stability they are. The problem is that it may prove impossible to agree on who will have passed, unless, as now seems rather probable, everyone is agreed to have failed.

The collapse of the old ERM does not change much directly. On the contrary, it would almost certainly be easier to meet the ERM criterion with 15 per cent bands, if these became "the normal fluctuation margins", than with the 2¼ per cent bands, which were deemed normal before. What the collapse of the ERM shows is that the initiation itself has been too hard. This undermines mutual trust and shakes the political commitment to Emu.

For this, there have been two reasons. The first is that the institution in charge of this rite of passage has an incentive to ensure everyone fails. The second is that German unification has given the Bundesbank the opportunity, almost the obligation, to pursue policies likely to ensure they all do. Ironically, German unification was both a spur for the Maastricht treaty and the main reason why it will not be achieved in the way once assumed.

Unification disrupted the ERM by giving the anchor country relatively high inflation, which drove real short-term interest rates to intolerable levels elsewhere in the ERM. Unification also demanded a short-term real appreciation of the D-Mark, in order to transfer resources from the current account surplus into eastern Germany. In a fixed exchange rate regime, the needed appreciation could only be achieved by higher inflation in Germany than elsewhere, which, given the Bundesbank's objectives, also imposed a fierce disinflation on Germany's partner countries. Finally, that pressure also created the vicious circle of speculation, higher interest rates and still more speculation which dissolved the old ERM.

What are the alternatives now?

One possibility would be to press on regardless. Participants might hope that the problem posed by German unification is now slowly passing, as interest rates fall and the D-Mark depreciates against the dollar, the yen and even the currencies of other EC member states. It would then be possible either to move back into narrow bands, however tentatively, or, more sensibly, to leave the ERM as it is until the move to Emu. Presumably, the failure to meet the fiscal criteria would be judged with the benevolence implied by the treaty's ambiguities.

A second option would be to accept that the political will to make this transition is lacking. Emu entails a high degree of mutual trust. While the move to Emu could indeed continue more or less as planned, at least on paper, the political committment to it must be doubted. This is not just a matter of the difficult passage of the treaty in many member countries, though that is revealing. Nor is it a question of the lack of enthusiasm of the Germans, important though that must be. The most significant point is that the Bundesbank policies which disrupted the ERM were pursued, without serious internal protest, on the basis of that institution's debatably extreme view of German monetary and economic developments. Never mind Mr Kohl's pro-European rhetoric. Never mind Germany's ostensible commitment to the ambiguous Maastricht treaty. Just look at the reality of German fiscal and monetary policies.

A third option then would be to force the issue. Those who do trust one another (if any) could make the needed mutual commitment now. There is nothing to suggest the decision would be any easier in 1997 or 1999. Worst of all, if member states just stagger on, pretending to try to achieve these criteria, the political and economic costs for Europe could prove prohibitive. Whatever the economic advisability of Emu itself, it must be senseless to spend six years, perhaps more, subordinating everything to that aim within a recession-mired, high-unemployment EC economy.

Emu requires the making of an irrevocable decision. The Maastricht treaty appeared to mean that the decision had already been made. But this was deceptive. Those countries that could plausibly share a successful Emu – a far smaller number than the 12, both now and for the foreseeable future – should either take the leap or shelve the idea. If this marriage is to happen at all, it should be made now.

OBSERVER

Word from the grave

■ No surprise that a debate is under way about the future of French monetary policy in the wake of the collapse of the European exchange rate mechanism. But it comes as a shock to learn that it is being led by an ex-King of France, who has not been heard of for nearly 1,500 years, and Galileo, the Italian sunspots expert.

Clovis, the first King of France, is the pseudonym of a writer advocating the surrender of the Balladur government's strong franc policy. Writing last week in Libération, the French daily, he condemned the "Ayatollahs of the Franc fort" and the "theologians of the Bank of France" and urged more expansionary economic measures.

Galileo has a similar view on post-ERM policies. Expounding his views in the Revue des Deux Mondes, he writes of the "tragedy of the strong franc" and blames Balladur and his advisers for the unnecessary pain of their rigid anti-inflationary policies.

However, help is at hand for the embattled government in the form of one Jean-Claude le Franc. He has argued in the pages of Le Monde for continued adherence to policies which have reduced French inflation to just 2 per cent and raised industrial productivity above most of France's competitors.

Calling on the services of the imaginary and the dead reflects the sensitivity of the subject among France's officials, politicians and bankers. But it also reflects a state of shock in the government as it tries to come to terms with the upheavals in the ERM.

The real problem for Balladur will come when the civil servants and bankers who are behind the articles drop their disguises and the debate breaks out of the press. Like Galileo, the government may then be forced to change its views on the way the world works.

Flight of fancy

■ One unfortunate side-effect of Asil Nadir's sudden flight from British justice is that it has made the more self-important members of the legal profession feel it is their duty to call British Airways boss Sir Colin Marshall as soon as they lose sight of the opposition.

This unfortunate habit was highlighted earlier this week when lawyers for the defendant in a civil claim arrived at the High Court only to find lawyers for the plaintiff, wigs and gowns flying, shouting down mobile phones for the managing director of British Airways.

Next thing they knew the opponents had obtained an order to halt an airborne BA flight to the Middle East, on the grounds that the defendant was on it.

'You're sitting where the telly used to be'

Luckily for the passengers, BA refused because its jet was well beyond Frankfurt. And where was the defendant?

Sitting in his solicitor's office helping draft his defence.

Deuce

■ Has Guardian Royal Exchange launched a grand plan to compete with Direct Line and the other fast-growing motor and household insurance telesales operations, or not?

It was impossible to tell from yesterday's announcements about its new direct selling operation. Of the two sparsely-worded press notices, the one about Ray Pierce, the 47-year-old management consultant who will head up the new subsidiary, was the most informative. GRE discloses that he is married with two teenage daughters and his interests "include tennis – plays at county level – squash and golf".

Information like that is hardly going to spoil the game of Peter Wood, Direct Line's tennis-playing boss.

Indyscribable job

■ Who is going to replace Andreas Whittam Smith as chief executive of Newspaper Publishing, parent of The Independent and Independent on Sunday?

There is some urgency to fill the post since the planned financial restructuring cannot get under way until the new chief executive has had a chance to see what is required.

The idea was to have someone on board in a month or so, but, as gossip on Fleet Street has it, this is proving a difficult slot to fill. One senior newspaper executive, who declined an approach, says that it is not at all clear where the duties of the new chief executive will begin and end.

The plan is that Whittam Smith, who owns 8 per cent of the business, will concentrate on editing the Independent and reversing the decline in circulation. However, he will remain on the board as deputy chairman.

So who will really be in charge of the business – the editor/deputy chairman or the ceo? And what happens if the new ceo finds that the paper's problems are so intractable that they demand a change of editor?

Would Whittam Smith dare recommend that the job be offered to someone as strong-willed as Sunday Times editor Andrew Neil, who has been doing his own job for a decade and is said to be desperate for a move?

Sounds like headhunters Tyzack are going to have their work cut out if they are to find the right person.

Pregnant pause

■ As schoolboys, Jones and Smith loathed each other; they never kept in touch. Jones became a bishop and Smith an admiral. Years later, Jones is standing at a station, in full episcopal regalia, waiting for a train. And, lo and behold, there on the platform is the hated Smith, in admiral's braid and cap.

Seizing the chance to score an unchristian point, Jones swishes up to his old enemy and asks: "What time is the Bath train expected, station master?" Smith gives his old adversary a level, naval gaze and replies: "It's due in 10 minutes – but I wouldn't advise travelling in your condition."

FINANCIAL TIMES
Wednesday August 25 1993

Christian Democrats back foreign policy blueprint

Germany unveils plan to reform EC institutions

By Quentin Peel in Bonn

PLANS for radical reforms of the main institutions of the European Community, including new rules for majority voting in the EC council of ministers, have been drawn up in Germany in a fresh attempt to create a streamlined, less bureaucratic European union.

The parliamentary leaders of Chancellor Helmut Kohl's Christian Democrats yesterday approved a blueprint for German foreign policy, clearly identifying their national interest with European integration – leaving an open door for the democratic states of eastern Europe eventually to join the EC.

They also spelt out the need for institutional reform of the EC, to ensure that an enlarged Community, with 16 or more members, remains capable of decisions.

Their ideas may form the basis of a German government initiative to maintain the momentum towards European integration, precisely when doubts about European economic and monetary union, and the Maastricht process, are spreading.

Germany wants the new institutional reforms to be discussed at October's extraordinary EC summit to celebrate ratification of the Maastricht treaty.

The proposals drafted by Mr Karl Lamers, foreign affairs spokesman of the CDU in the parliament, include:

- a "double-majority" voting system in the council of ministers – the heart of EC decision-making – which would require both a majority of member states, and a majority of their populations, to take decisions;
- a maximum 10-member European Commission, to be selected by the Commission president from nominees by the member states, and approved by both European parliament and the Council of Ministers; there are currently 16 commissioners, two for each of the four larger member states – Germany France, Italy and Spain – and one each for the remaining eight;
- a new rotation of member states holding the presidency of the Council of Ministers, scrapping the present alphabetical system, and leaving it up to member states to nominate large and small states alternately;
- a ceiling on the membership of the European parliament, regardless of the number of EC member states, to prevent its becoming too unwieldy;
- the possible creation of a new "European senate" to represent national parliaments directly, in a sort of upper house to the elected parliament.

The chief economists at Germany's 12 biggest banks all expect the Bundesbank to this week make a reduction of half a percentage point in the key discount rate, currently at 6.75 per cent. However, inflation is still above 4 per cent, while money supply growth seems likely to remain well above the central bank's target range for some months. Page 2

The plans meet the need for new thinking on institutional reforms to maintain the decision-making balance of the EC, between the large member states – Germany, France, Britain and Italy – and the smaller ones. Enlargement to 16 member states will upset that balance, by bringing in several more smaller members.

The blueprint was discussed by the joint parliamentary leadership of the CDU and its Bavarian sister party, the Christian Social Union, in Berlin during the past two days.

The full document seeks to identify a unified Germany's clear national interests in the post-cold war world. It concludes that they are dominated by a paramount need for stability in both eastern and western Europe, which in turn means a European union in the west, with the firm prospect of eventual EC membership for the east European democracies - without a timescale fixed.

China takes external advice in effort to slow economy

By Alexander Nicoll, Asia Editor, in London

MR ZHU RONGJI, China's *vice-premier in charge of the* economy, acted to slow the country's rapid economic growth after receiving *recommendations from* international advisers whom he called the "foreign monks".

The team's involvement in the formulation of economic measures reveals a remarkable degree of openness to external advice on the part of Mr Zhu.

The vice-premier's term for the foreigners, according to a participant in meetings held in China in June, was "his way of saying that outsiders sometimes have greater wisdom because they can look at things from the outside".

The team, mainly from the World Bank but including several other foreign economists, recommended a package of measures to cool the overheating economy at the end of a three-day meeting with Chinese officials at Dalian, on China's north-eastern coast, on June 10-12.

Their suggestions included increases in interest rates, much tighter control of the financial system and curbs on capital spending by local governments.

Mr Zhu's response was swift. On July 2, he took over as governor of the People's Bank of China, the central bank. On July 5, he stated that China "must rectify financial order and *strengthen financial* discipline". On July 11, he raised interest rates.

The World Bank team first met Mr Zhu in Beijing. He asked them whether they believed the economy was overheating. When they answered that they were convinced it was, he asked them what actions they would advise.

Page 3

- ☐ **Beijing seizes financial controls**
- ☐ **China and Vietnam open talks**

Editorial Comment .....Page 11

The team then went to Dalian for the annual session with ministers and top officials of the ministry of finance, the People's Bank and the System Reform Commission, the agency which is overseeing the restructuring of the economy.

The recommendations, a copy of which has been obtained by the Financial Times, said evidence of overheating was provided by rising inflation and a widening gap between the official exchange rate and the rate in the "swap centres" in which foreign currencies are mainly traded.

"It is clear that the main *source of the overheating is* excessive fixed investment growth, facilitated by an accommodating monetary policy," the report said.

China's economy grew 13 per cent in 1992 and the annual rate of growth rose to 14 per cent in the first half of 1993. By mid-year inflation was edging over 20 per cent in big cities and the yuan was weakening as low Chinese interest rates made it attractive to hold foreign currencies.

Much of the investment in fixed assets – which was rising at a 70 per cent annual rate in the first half of 1993 – was by local governments which rushed to establish property and industrial schemes. Mr Zhu has cracked down both on the lending and on the local authorities.

A number of other actions recommended by the foreign team have since been taken or begun, and further moves – particularly on reorganising the financial system – are expected after further consultations with the World Bank.

Bosnian Moslems denounce proposed peace map

By Laura Silber in Belgrade, Gillian Tett in London and George Graham in Washington

OPPOSITION to international peace proposals appeared to be mounting in Bosnia yesterday after leaders of the Moslem-led government lambasted the plan to divide their republic.

Mr Haris Silajdzic, Bosnia's foreign minister, denounced the map put forward last week at the Geneva peace talks for "rewarding the aggressor, and punishing the victim". The proposal is due to be debated by the Bosnian assembly later this week.

Speaking on behalf of Mr Alija Izetbegovic, the Bosnian president, he said it was unlikely that an agreement would be accepted unless there were big concessions. He cited towns where Moslems had comprised the majority before the war until Serb forces expelled or killed them.

In an attempt to step up pressure on his *Moslem* adversaries, Bosnian Serb leader, Mr Radovan Karadzic, reiterated warnings that if the *Bosnians* rejected the deal they would face more war. However, Mr Miro Lasovic, speaker of Bosnia's parliament, dismissed the need to endorse the proposals by the August 30 deadline set by the international peace envoys, Lord Owen and Mr Thorvald Stoltenberg.

Meanwhile, United Nations' efforts to take an aid convoy into the contested city of Mostar failed yesterday. Croat forces refused to let the convoy into the east of the city, where some 55,000 Moslems have been trapped for more than two months with little food. A spokesman for the UN High Commissioner for Refugees said that the Croat *forces* had *refused* to let the convoy pass until various demands were met.

The UNHCR last night asked western allies to organise rapid airdrops of food to Mostar. "We are at the last resort stage. We are asking them to see what they can do and get moving as soon as possible," a spokesman said.

A UN protection forces spokesman in Zagreb said fighting was continuing yesterday between Croat and Moslem forces around Mostar, although the UN could not confirm reports by Serb, Croat and Moslem press agencies that fighting had flared again in central Bosnia and other regions.

Amid mounting international outrage over the fate of Mostar, Washington continued to raise the tone of its warnings to the Croats.

US officials have said that a warning of possible air strikes issued by Nato applied not only to the Serbs besieging Sarajevo but also to other groups preventing the delivery of humanitarian relief.

War crimes tribunal
Warning to Croats, Page 2

THE LEX COLUMN

Abbey's swap shop

Abbey National's behaviour bears the hallmarks of a one-product company with surplus capital and a desperate desire to diversify. After its embarrassing mistakes in estate agency and French commercial lending, it is now teaming up with Baring Brothers to offer swap business to corporations. That certainly marks a departure from its retail traditions and the fear must be that, like other attempts at diversification, it will end in tears. The only consolation is that Abbey's treasury business has a good track record and now accounts for over 20 per cent of profits. Abbey does have some swaps market experience from its active Eurobond borrowing programme.

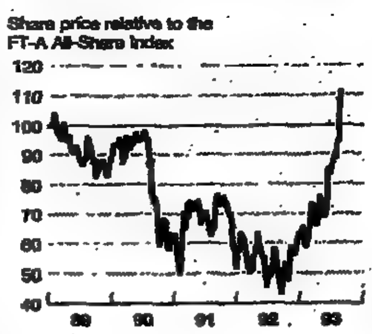
Yet it is stretching things to claim much synergy between mortgages and the swap market. The latter makes more sense for Barings, which has quietly scooped up the twin advantage of access to Abbey's capital and its credit rating. Abbey prefers to present the venture as little more than an interesting sideline. Having tested the water, though, the natural *inclination* will be to go in deeper. It would not take long before top group management, which has no experience of the sharp end of the derivatives market, is out of its depth.

The fate of TSB's attempt to diversify into big ticket commercial lending may prove instructive. Still nursing its wounds, TSB now again sees its future in retail business. It paid a heavy price for trying to behave like Citibank. Abbey would risk a similar fate if it tried to emulate Bankers Trust.

FT-SE Index: 3049.3 (+7.3)

Invesco

Share price relative to the FT-A All-Share Index



Source: FT Graphite

Invesco

The combination of Britannia Arrow and Invesco of the US in 1988 aimed to create a global fund management business. The ambition remains intact, but the performance of the shares for most of the intervening years underlines that a fund manager's franchise is easily tarnished. The company's mismanagement of Drayton Consolidated investment trust and links with Mr Robert Maxwell left a sour taste. Litigation relating to the Mirror Group Newspapers pension fund still looms. Until that issue is resolved – preferably outside court – winning business from other UK pension funds will be difficult.

But with investment markets reaching *new peaks and the US business* making gains, Invesco's problems in London look like a local difficulty. *Sales of mutual funds to US private* investors show no sign of slowing. US institutions are distant enough from the Maxwell case not to care. The 350 per cent *rise in the shares since last* September outstrips even the startling gains seen elsewhere in the sector.

That is not to deny the legacy of past mistakes. Winning institutional *business in continental Europe is* proving difficult, and will remain so until Invesco regains the confidence of institutions *closer to home. Rebuilding* the balance sheet means slower dividend growth than might otherwise be the case. While investors keep *faith* in the upward momentum of world stock markets, though, that will not take the *shine off Invesco's shares.*

British Aerospace

McDonnell Douglas almost got to the altar with Taiwan Aerospace Corporation before being jilted, so it is not beyond the bounds of possibility that British Aerospace's proposed joint venture could collapse. TAC's previous failure will doubtless spur officials to great efforts, since a reputation as an unreliable partner would hardly help Taiwan gain a foothold in aerospace. Even so, a lack of political consensus could still scupper the deal.

Failure would not be as heavy a blow to BAe as would have been the case six months ago. The management has delivered on several other promises. Perhaps even more importantly BAe has renegotiated its banking lines so that the previous constraint on the *net worth of the group has been* removed. That had curbed the company's ability to rationalise its businesses by limiting the amount which could be written off from its balance sheet. So while BAe hopes to use some of the provisions set aside for the regional jet business if the Taiwan deal succeeds, reorganisation of its missiles and turboprop operations can go ahead regardless.

Failure would, however, carry a cost. BAe would lose the £120m which Taiwan was to have paid into the joint venture, and the company would have to use between another £150m and £200m of the provisions it set aside to close plant. There would *also* be a blow to the carefully constructed credibility of the new management team. That would be *unfortunate*, given that many investors are only now being lulled into forgetting BAe's past.

Medeva

There is more than one reason to be cautious about Medeva. Management is taking the right steps to prove that *its recent profits warning* was an isolated incident and to satisfy the US Food and Drug Administration that *production facilities are up to scratch.* But yesterday's figures show that Medeva is not immune from the prob*lems afflicting its more* established rivals. Prices paid by big US customers of its IMS subsidiary were lower in *the first half of this year* than last. The steady price cuts demanded of all drugs companies by the NHS will act *as a drag on profits growth in the UK.* Competition from cheap generic products held back profits in the first half. *Even if* Medeva can *finally* convince there is no chance of another nasty shock, these are reasons not to send the shares back to the dizzy multiple of old.

UK regulation

Once again, a prosecution brought by the Serious Fraud Office has collapsed. In the latest instance, the judge was even moved to question whether the whole matter might not have been more effectively examined by the regulatory authorities than the criminal system.

That strikes at the heart of the current problem. The SFO has failed to manage the investigation of complex fraud in an effective way. Yet even if some allegations were better pursued through civil actions and the threat of exclusion *from professional bodies*, the *current self-regulatory organisations* are ill-placed to handle the task. Since the Financial Services Act has not so far proved equal to the task, the case for wholesale reform grows stronger.

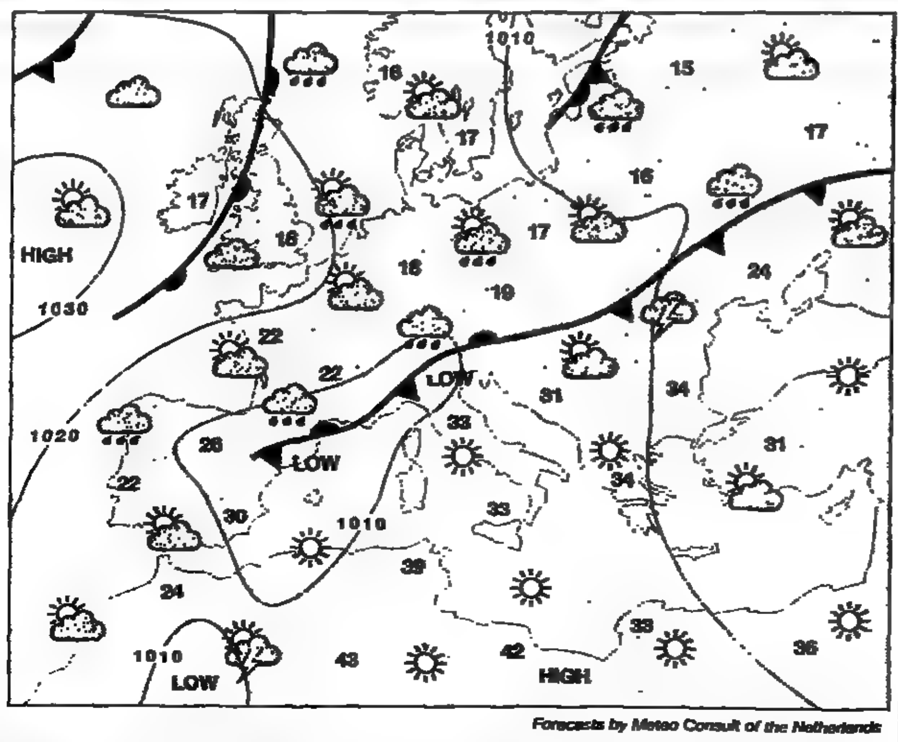
FT WORLD WEATHER

Europe today

A moderate northerly air flow has resulted in a cool polar air mass covering much of Europe. Widespread showers and thunder will develop as the cold air meets the tropical heat over the south. Heavy showers are expected over northern Spain, south-eastern France, Austria, Hungary and parts of the Ukraine. Rather cool and cloudy conditions will prevail in the North Sea countries and Scandinavia. Britain will have only a few sunny periods with outbreaks of light rain likely in the north. A disturbance crossing the Baltic states will produce rain and particularly low temperatures. The Mediterranean and south-east Europe will continue sunny and hot.

Five-day forecast

After weakening temporarily, an area of high pressure over the Atlantic will strengthen by the end of the week, bringing more settled conditions to the western part of the continent. The frontal zone moving over the Alpine countries will initially trigger some thundershowers, but a gradual improvement will begin on Saturday. It will remain quite cool and slightly unsettled over Scandinavia and the Baltic states.



TODAY'S TEMPERATURES

Forecasts by Meteo Consult of the Netherlands

		Maximum Celsius
Abu Dhabi	sun	40
Accra	shower	29
Algiers	sun	38
Amsterdam	shower	15
Athens	sun	35
B Aires	fair	20
B.ham	cloudy	18
Bangkok	rain	32
Barcelona	fair	28
Beijing	thund	29
Belfast	cloudy	17
Belgrade	sun	31
Berlin	shower	17
Bermuda	shower	30
Bogota	shower	18
Bombay	rain	30
Brussels	fair	15
Budapest	shower	21
C.hagen	shower	17
Cairo	sun	36
Cape Town	sun	19
Caracas	fair	31
Cardiff	drzzl	18
Chicago	thund	33
Cologne	fair	15
D' Salaam	fair	30
Dakar	fair	31
Dallas	sun	38
Delhi	fair	37
Dubai	sun	40
Dublin	cloudy	17
Dubrovnik	sun	32
Edinburgh	drzzl	18
Faro	fair	24
Frankfurt	fair	18
Geneva	shower	22
Gibraltar	fair	29
Glasgow	drzzl	17
Hamburg	shower	15
Helsinki	rain	15
Hong Kong	fair	32
Honolulu	fair	31
Istanbul	sun	33
Jersey	fair	18
Karachi	fair	33
Kuwait	sun	46
L. Angeles	fair	25
Las Palmas	sun	26
Lima	fair	20
Lisbon	fair	22
London	fair	18
Lux.bourg	fair	16
Lyon	thund	24
Madeira	fair	24
Madrid	fair	26
Majorca	fair	32
Malta	sun	35
Manchester	drzzl	17
Manila	thund	31
Melbourne	sun	20
Mexico City	shower	21
Miami	shower	32
Milan	thund	29
Montreal	shower	27
Moscow	cloudy	16
Munich	shower	17
Nairobi	fair	26
Naples	sun	33
Nassau	shower	31
New York	sun	32
Nice	thund	27
Nicosia	sun	36
Oslo	fair	19
Paris	fair	20
Perth	fair	13
Prague	cloudy	16
Rangoon	rain	29
Reykjavik	drzzl	12
Rio	fair	[illegible]
Riyadh	sun	41
Rome	fair	31
S. Frsco	fair	23
Seoul	fair	30
Singapore	shower	32
Stockholm	shower	15
Strasbourg	fair	18
Sydney	sun	19
Tangier	fair	22
Tel Aviv	sun	32
Tokyo	fair	31
Toronto	sun	29
Tunis	sun	39
Vancouver	fair	19
Venice	thund	27
Vienna	thund	18
Warsaw	fair	18
Washington	sun	33
Wellington	fair	12
Winnipeg	shower	25
Zurich	cloudy	18

FINANCIAL TIMES
COMPANIES & MARKETS
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INSIDE

Unidanmark on track as it returns to profit

Denmark's second-largest bank group, Unidanmark, said its profit of DKr483m ($69.77m) in the first half, compared with a loss of DKr1.47bn in the same period last year, was in line with the recovery strategy drawn up last autumn. **Page 14**

Restructuring lifts Trygg-Hansa

Lower underwriting losses and heavy investment gains enabled Trygg-Hansa SPP, Sweden's leading insurance company, to report improved results for the first six months as the group restructured after big losses last year in the country's banking crisis. **Page 14**

Lower demand for Matsushita

Weak sales and a strengthening yen pushed Matsushita Electric's first quarter consolidated pre-tax profits down 7 per cent to Y33.7bn. The Japanese consumer electronics group continued to face weak demand in its home market as consumer spending tailed away. **Page 15**

Rosy futures in Austria

The Austrian Futures and Options Exchange (OTOB) which opened 15 months ago has become a bigger draw than the Vienna Börse. The contract value of OTOB's stock options is regularly three times as great as the volume of sales in the underlying shares. **Page 16**

GRE gets on the phone

Guardian Royal Exchange, the composite insurancegroup, is to launch a new subsidiary to sell motorand *home* insurance direct to the public, underliningthe growing popularity of direct telesalesoperations in the UK market. **Page 17**

Graseby to cut pay-out

The electronics group, Graseby, is to cut its final dividend to retain more funds for expansion despite pre-tax profits up 18 per cent to £4.87m in the six months to June 30. **Page 18**

Wace doubles to £7m midway

Cost cutting helped the restructured Wace Group, the pre-press and specialist printing company headed by Mr Frans ten Bos, to more than double *pre-tax profits* from £3.3m to £7m in the half year to the end of June 1993. **Page 19**

Venezuela reshapes aluminium

Venezuela is among the world's lowest cost producers of *primary* aluminium, yet the government-controlled aluminium smelters generate embarrassing *amounts of red ink. Now the government* has announced that it will reorganise the aluminium sector by selling some assets and seeking new private investors. **Page 20**

Cautious mood in Israel

The Tel Aviv Stock Exchange is settling into a *period of cautious consolidation after the market* nearly doubled in 1992. Since January, the Mishtanim Index, which covers the 100 most traded companies, has fallen 4 per cent as investors have shied away from blue-chip stocks. **Back Page**

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ITN	8	Tarmac	17
Instant Zip Up	18	Thorn EMI Security	8
Intel	1	Tiphook	14
Invesco	13	Trygg-Hansa	14
Ipalco	15	Unidanmark	14
John Deere	13	Wace	19
Kerry	19	Wates City of London	17
Leeds & Holbeck	19	Wolters Kluwer	14
		Yamaichi	15

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Bayer-Hypo	454	+	5.5
Degussa	368	+	5.5
BHF	409.5	+	11
Leifheit	615	+	9
Lufthansa Pri	134.8	+	3.8
Falls			
Volkswagen	368	-	6

NEW YORK ($)			
Rises			
Caterpillar	82½	+	2⅝
Chrysler	42⅝	+	⅜
Ford Motor	51⅜	+	1
John Deere	73¾	+	5½
Roper Inds	67½	+	5½
Falls			
Pfizer	62¾	-	½

New York prices at 12.30.

PARIS (FFr)			
Rises			
Bongrain	2750	+	95
Fromageries Bel	4850	+	120
Gal Lafayette	1614	+	104
Havas	454.8	+	13.7
Unibail	495	+	15
Falls			
Docks de France	570	-	19

TOKYO (Yen)			
Rises			
Kyocera	6180	+	150
Nikon Corp	921	+	21
Sanyo Elec	446	+	23
Falls			
Ricoh	795	-	13
Settsu Corp	434	-	27
Zexel Corp	642	-	20

LONDON (Pence)			
Rises			
Bdos	106	+	15
Euro Disney	645	+	25
Fisher (J)	82	+	13
Gestetner	146	+	7
Hardy Oil	157½	+	8½
Herring Baker	72	+	5
Hickson Intl	184	+	8
Phoenix Timber	19	+	5
Reflex	63	+	10
Sanderson ME	148	+	6
Shorco	81	+	7
Sims Food	109	+	15
Sotheby's A	838	+	25
Stanhope Props	27	+	3
Taylor Woodrow	137	+	8
Tepnel Diagn	165	+	11
Wace	149	+	8
Warnford Invs	215	+	22
Falls			
Aerospace Eng	23	-	3
Clarke (T)	64	-	5
Graseby	179	-	6
Morris Ashby	175	-	7
Riva	26	-	7
Tate & Lyle	394	-	11

Svenska Handelsbanken confident after return to operating profit

Bank plans SKr2.7bn share issue

By Christopher Brown-Humes in Stockholm

SVENSKA Handelsbanken yesterday announced plans to raise nearly SKr2.7bn ($333m) from shareholders after demonstrating a strong recovery *in first-half operating profits* and confidence in future prospects.

The bank wants to be able to meet increased loan demand as the Nordic economies recover and to expand its office network in the region. It says a stronger balance sheet should also improve its credit rating.

It is the fourth Nordic bank to announce *plans for a big share* issue in less than two weeks, following similar moves by its Swedish rival Skandinaviska *Enskilda Banken and the Finnish* banking groups Kansallis-Osake-Pankki and Unitas.

All are taking advantage of higher share prices and a belief that the worst of the Nordic banking crisis is over to bolster their balance sheets and stave off a credit crunch when loan demand rises.

Handelsbanken's one-for-two *issue is being* made at SKr35 per share, a deep discount on the SKr126 level at which the shares closed yesterday. The issue will lift the bank's *capital* adequacy ratio from 10.3 per cent to 12.3 per cent.

The bank's first-half operating profit was SKr837m, against a SKr658m loss in the same 1992 period. However, the figure disappointed the market and the shares fell SKr18, or more than 12 per cent, from SKr146.

Operating profit before loan *losses rose 34 per cent to* SKr4.46bn, helped by a 10 per cent increase in net interest income and a 1 per cent cut in personnel expenses.

Credit losses remained high at SKr3.63bn, or 2.6 per cent of total lending, reflecting the long Swedish recession and the collapse in the property sector. Non-performing loans were slightly ahead of their year-end level at SKr15.8bn.

The bank did not give a full-year forecast, but said it intended to resume paying dividends on its *ordinary shares this year.*

Handelsbanken now ranks as Norway's fifth-largest commercial bank, and it plans to build its operations in Denmark and Finland.

It is also one of a number of parties interested in buying parts of Gota Bank which the Swedish government wants to return to the private sector.

US farmers help Deere earnings top $100m

By Laurie Morse in Chicago

EARNINGS of Deere and Company, the US agricultural equipment manufacturer, *surged in the third quarter amid signs* that confidence is returning in the North American agricultural economy.

Deere said retail sales of combine harvesters *and tractors continued to improve* in the quarter, in spite of record rains in the US Midwest and drought in parts of the south-east.

US farmers, who have been conservative about new equipment purchases because of their cautious outlook on the economy, have excellent prospects in much of the country, said Mr Hans Becherer, chairman.

As well as strong agricultural sales, Mr *Becherer said heavy rainfall and improving* economic conditions boosted demand for Deere's lawn-care equipment, while increases in housing starts and higher *public construction expenditures in the US* are also expected to benefit the company's industrial sales.

However, he said overseas demand for Deere agricultural equipment is expected to remain weak.

Deere's third quarter earnings surged to $100.1m or $1.31 per share, compared with $9.1m or 12 cents per share in the third quarter of 1992.

In the quarter Deere's North American *sales of all equipment products* rose 26 per cent to $1.3bn, compared with $1bn in the third quarter of 1992. Overseas sales rose 2 per cent to $436m. Net worldwide sales were $2.05bn, up *from* $1.75bn.

Sales of agricultural equipment rose 16 per cent to $1.1bn, industrial equipment sales were up 27 per cent to $396m and lawn and grounds care equipment sales rose 24 per cent to $240m.

In response to strong demand, Deere plans to boost output *of all* products by about 10 per cent this year with agricultural equipment tonnage scheduled to rise 8 per cent. In the final quarter of 1992, *Deere cut production savagely to reduce* high dealer inventories.

Before a $80m restructuring charge taken in the second quarter to reduce the European operations, Deere's worldwide net income for the first nine months ended July was $182.7m, or $2.39 a share.

This compares with last year's $33.2m or 44 cents per share. Sales for nine months were $5.58bn, up 10 per cent from the $5.07bn of the first nine months of 1992.

Strong yen and weak sales hit Honda

By Michiyo Nakamoto in Tokyo

THE rapid appreciation of the yen and weak demand in leading markets depressed first-quarter consolidated profits at Honda, the Japanese carmaker, which yesterday reported a 62 per cent drop in net income for the period.

Honda saw consolidated revenues in the three months ended *June fall 17 per cent to Y919.6bn* ($8.9bn) against Y1,112bn. Pre-tax profits fell to Y15.3bn from Y34.2bn.

Honda said it had been affected by the sharp rise of the yen which hit profits in its largest markets overseas, particularly the US, where it sold more cars than in its home market.

The company is re-examining its forecast of Y4,000bn in revenues for the year, which was made on expectations of an average yen-dollar exchange rate at Y115 to the dollar. The dollar has recently been fluctuating closer to Y103.

The rise of the yen has led to a loss of Y25bn, even after taking into effect any gains made from hedging, Honda said.

Motorcycle sales were firm in unit terms, rising 12 per cent from the first quarter of last year. However, because of the higher yen, sales in the division were 2.6 per cent lower at Y146bn.

Honda has seen strong demand for its motorcycles in the US and Asia, excluding Japan. Demand in the US rose strongly as Honda has offered more higher value-added models while growth in Asia was spurred as incomes in the region have risen.

Car sales fell 21 per cent in value terms to Y704.9bn and 11 per cent in unit terms, reflecting the weak demand in Honda's leading markets outside the Asian region, excluding Japan.

"The current level of the yen will make it very difficult for us to carry out our operations," Honda said. It has been forced to raise US prices once this year and would suffer if it raised them again.

Honda expects to shift more production overseas. Exports from its US plants could increase not only to Japan where its US-made Accord is selling well, but to other parts of the world.

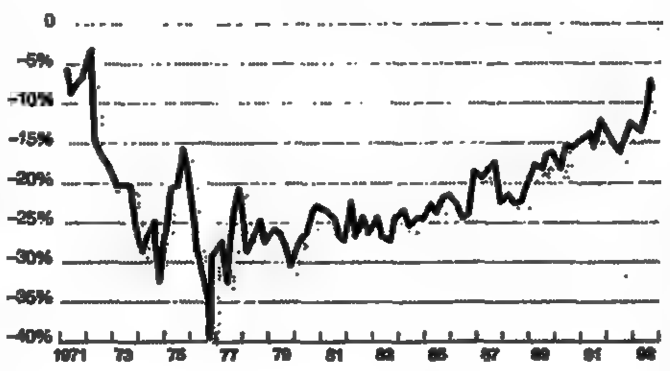
The company has cut costs, reduced one of its lines in Japan to one shift, cut the number of seasonal workers by about half and transferred some car staff to the more buoyant motorcycle operations.

Philip Coggan asks if a £20bn sector that has shrugged off past problems is overreaching itself

Evolution pushes investment trusts past a fitness test

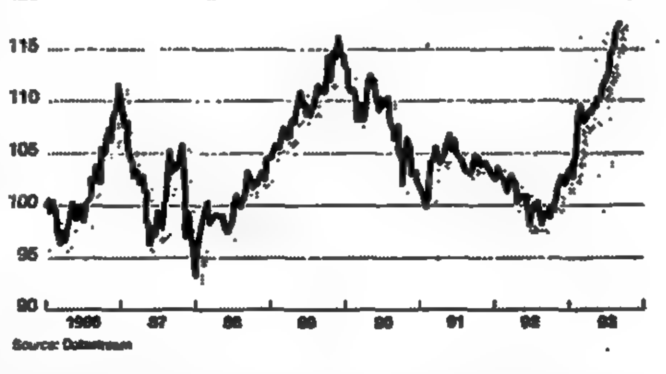
UK Investment Trust sector

Trusts' discount to underlying share values narrows ...



... helping trusts outperform the market

FT-A Investment Trusts relative to FT-A All-Share Index



Source: Datastream

The investment trust industry is enjoying a revival. According to SG Warburg, the average discount to net assets, the key measure of the sector's health, recently touched a 20-year low of 8.7 per cent.

In part, this is because of the bull market in equities. Trusts, as collective funds which invest in shares, are a simple way for investment institutions and private individuals to move quickly into the stock market.

The investment trust sector, worth £20bn ($29.8bn), has produced an impressive performance over the past 12 months, as assets have risen and the discounts have narrowed. Over the year to July 30, the average investment trust returned growth (including reinvested income) of 66.7 per cent, according to the Association of Investment Trust Companies. The FT-A Investment Trust Index reached an all-time high of 1706.89 on August 18.

But to understand why the industry is currently so healthy, one has to go back to the problems the sector faced in the late 1970s.

It was originally set up as a means of giving the private investor access to a wide portfolio of shares, but by the 1970s historical accident had caused trusts' shareholder registers to be dominated by the life insurance companies and pension funds.

Many of those investment institutions thought it more cost efficient for them to manage their own portfolios, rather than pay a fee to an investment trust company to do so. They were thus willing sellers of investment trust shares.

Since the price of investment trust shares is set by supply and demand, this led to the wide discount at which trust shares traded in the late 1970s.

Investment trust managers *spent the 1980s attacking the discount* problem in two ways. The first was to bring back the private investor, in order to create enough buyers to offset institutional selling. The second was to find new ways of persuading institutions to buy the trusts' management expertise.

Trusts had faced a crucial problem in attracting private investors; as stock market companies, they were unable to advertise their shares. In 1984, Foreign & Colonial, one of the leading trust groups, hit upon an ingenious solution: a savings scheme, which allowed investors to buy small amounts of shares each month. From small beginnings (£89,504 invested in 1984), savings *schemes have grown into an* important source of demand for shares, with £102m invested in the first half of 1993.

The introduction of Personal Equity Plans also helped the industry to attract new investors. Income and capital gains made within a Pep are free of UK tax. For a brief period, investment trust new issues were the only way the small investor could put the full £6,000 annual Pep allowance *into a diversified portfolio.* The tax-free label helped M&G raise £376m for two new issues in 1991-92.

The fall in base rates now makes many high-yielding investment trust Peps look very competitive with building society returns, creating a further incentive for private investor buying.

The private investor has also been drawn back into the world of trusts by the revival of the *split capital sector. Traditional* investment trusts offer a mixture of income and capital growth. But for tax reasons, many investors want only one or the other.

In a split capital trust, all the revenue goes to one class of share, while the capital growth goes elsewhere. A typical split might be income shares (having a high yield but a modest repayment value), zero coupon shares (having no yield but offering steady capital growth) and capital shares (having no yield and offering highly geared capital growth).

Because such shares can be highly tax-efficient (especially when held in a Pep), *there is plenty of demand for* split capital trusts shares. Such trusts often stand at a premium, rather than a discount, to asset value.

The second trick – keeping the interest of the investment trust institutions – has been achieved by specialisation. In the 1970s, the sector was dominated by the generalist trusts, which offered either an international, or a UK-based, spread of shares. Neither *kind offered any added value to* the institutions.

But a trust specialising in, say, Thailand or Korea offers an investment opportunity which even a large institution might find too costly to pursue on its own. There is sufficient demand to ensure the shares do not stand at a discount.

Thus, the 1980s saw a ruthless evolutionary process in the sector. Old generalist trusts, standing at heavy discounts, *either* disappeared to predators looking for cheap assets or restructured themselves as geographical specialists, *or split capital funds.* New issues tended to be specialised, rather than generalist.

So is the newly reformed investment trust sector better placed than ever or has the recent rally been overdone? Some trusts certainly stand at apparently unsustainable premiums; shares in Templeton Emerging Markets, for example, trade at a premium of 17.6 per cent. In other words, an investor has to pay £117.60 to get £100 of assets.

Whether the sector discount has moved to a permanently lower level is a more difficult *question.*

Mr Lewis Aaron, analyst at SG Warburg, does not believe so. "Private clients tend to be fickle. If we had a correction in the market, discounts could well widen," he says. Just as investment trusts are a quick route into the stock market, they may be the first thing investors sell when sentiment changes.

Even if demand does not fall, supply could tip the balance. With some trust shares at a premium, existing managers have taken the opportunity to issue new shares to soak up demand. Other managers have brought new trusts to the market.

According to SG Warburg, the sector has raised a net £775m since the end of September 1992, with more new issues in the pipeline. There may come a point when the sector overreaches itself.

Invesco profits up at £23m midway

By Norma Cohen, Investments Correspondent

INVESCO, the UK-based fund management company, reported pre-tax profits of £23m for the six months ended June 30, up sharply from £926,000 the year before, when exceptional charges offset almost all the company's profits. Profits before exceptional items were £18.9m, against £14.7m.

Mr Charles Brady, chairman, said all areas grew except Invesco's UK institutional fund management businesses. There, the company's business has been hampered by civil charges filed against it by the Mirror Group Pension Scheme in connection with assets it formerly managed on behalf of former Maxwell company employees. That case is due to be heard in January.

He hoped that an out-of-court settlement could be reached. Invesco's auditors qualified the accounts because of the claims and Mr Brady said he did not expect the 1993 accounts to be similarly qualified.

Profits were helped by a £4m gain from disposals.

The interim dividend remains unchanged at 1p per share. Earnings per share were 7.1p against losses of 1.4p.

Mr Brady said the improved profitability also reflects strong growth in the company's North American operations where there has been a surge in mutual funds under management and strong growth in the management of "money-purchase" pension plans. Development of those businesses has also prompted a sharp rise in expenses to £65.2m from £50.4m.

Funds under management grew to £43bn (from £31m). North America contributed pre-tax profits of £22.1m (against £15.6m) while Europe turned around to a profit of £2.3m from a loss of £4.9m.

Mr Norman Riddell, chief executive of the company's European operations, said it will be at least two years before Invesco's UK institutional business recovers. The company needs to remain in that business "because if you cannot demonstrate your ability in your own market, you cannot convince people in other markets".

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Trygg-Hansa recovers following restructuring

By Hugh Carnegy in Stockholm

LOWER underwriting losses and heavy investment gains enabled Trygg-Hansa SPP, Sweden's leading insurance company, to report improved results for the first six months as the group restructured following big losses last year associated with the country's banking crisis.

Operating profits of SKr864m ($109m) were slightly down on the comparative figure of SKr898m at the same stage last year, but this was largely due to a 58 per cent fall in contributions from the 35 per cent-held Home Holdings group in the US to SKr42m from SKr101m.

Otherwise, core insurance profits rose 10 per cent to SKr303m from SKr275m as premiums – up 2 per cent at SKr3.95bn – outstripped a marginal rise in claims costs. Trygg said the recession in Sweden had trimmed premiums at home by 4 per cent, but claims costs fell by 7 per cent and a trend of spiralling claims in recent years had been checked.

Meanwhile, there was a 4 per cent increase in premiums from international insurance to SKr775m, while claims costs fell 14 per cent to SKr465.

The group also showed benefits from the upward trend this year in capital markets. Unrealised capital gains, mainly in Trygg's bond portfolio, sent overall profits rocketing to SKr1.65bn from SKr436m.

The group's solvency margin – the ratio of shareholders funds to premiums – at the end of the period stood at 151 per cent, compared with 134 per cent at the end of 1992. Claims costs from reinsurance rose in the first half to SKr1.23bn from SKr932m.

Trygg is cutting its exposure to reinsurance by 50 per cent, but said the benefits of this would not be felt until 1994. However, moves to reduce exposure to catastrophes had already paid off with only limited claims anticipated from recent events such as the floods in the US mid-west.

Trygg suffered traumatic losses of SKr5.2bn in 1992 as a result of writing down to zero the value of its holdings in Gota AB, the holding company for the collapsed Gotabank, and two collapsed credit insurers, Svenska Kredit and International Credit. The comparative figures excluded results from the three subsidiaries.

Unidanmark back in the black

By Hilary Barnes in Copenhagen

UNIDANMARK, Denmark's second-largest bank group, moved back into profit of DKr483m ($69.77m) in the first half compared with a loss of DKr1.47bn in the same period last year and a loss of DKr4.54bn in the whole of 1992.

The bank said the result was in line with the budget and with the recovery strategy drawn up last autumn.

Costs were down by 6.2 per cent to DKr3.05bn from last year, with a reduction of 9.4 per cent in staffing to 11,453 compared with June 30 last year.

But the bank's forecast for the full year was cautious, promising "a substantially improved net result than last year," but leaving open the possibility of a loss.

The bank's loss provisions remained high at DKr2.34bn compared with DKr2.44bn in the first half of last year and DKr6.28bn in the whole of 1992. Provisions this year, the bank forecast, will be reduced.

The group's London subsidiary, Unidanmark Holding, cut a DKr506m loss in the first half last year to DKr168m. The London bank suffered from heavy losses in the property market. A big improvement in the value adjustment for the securities portfolio was the main factor behind the group's move back into profit.

This item added DKr1.78bn to income compared with a loss of DKr128m in the first half last year and is a reflection of higher bond and share prices in Copenhagen.

Abbey and Baring start swaps unit

By Tracy Corrigan in London

TWO UK financial institutions, Abbey National Treasury Services and Baring Brothers, yesterday announced plans to set up a joint venture in the rapidly-expanding derivatives market, offering interest rate and currency swaps and options to clients.

Abbey National Baring Derivatives will be a branch of Abbey National Treasury Services, benefiting from Abbey National's strong credit ratings. Abbey National is rated AA by Standard & Poor's, Aa2 by Moody's and AA by IBCA.

The lucrative $4,000bn market in over-the-counter swaps and options is extremely credit-sensitive, as many clients are limited to dealing with credits rated double-A and above. Consequently, institutions with strong ratings are at a competitive advantage in the struggle to gain a foothold in the market.

The operation, which will open in September 1994, will concentrate initially on business with UK companies and banks. It will have a staff of 30, with back office and other technical support provided by both organisations. The unit will be headed by Mr Graham Bird, head of risk management at Baring Brothers.

Mr Jonathan Nicolls, assistant treasurer at Abbey National, said there had been informal talks with a few other banks, but that Abbey had found a "match of culture" at Baring Brothers. "We are both pretty risk-averse," he said.

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Directors' pay up but Tiphook posts loss

By Maggie Urry in London

MR ROBERT Montague, executive chairman of Tiphook, the container and trailer rental group, had a pay rise from £842,000 to £851,000 in the financial year to end-April, when the group made a net loss of £66.5m ($99.08m) against a profit of £31.7m last time, following changes to accounting policies.

Other directors also received higher salaries. All the directors' contracts are subject to three-year notice periods, the accounts, published yesterday, show. Such contracts are increasingly unpopular with institutional investors.

However, the board has already taken a 10 per cent pay cut from the beginning of the current financial year and will take a further reduction once a review of salaries by the remuneration committee is completed.

The committee, chaired by Mr Rupert Hambro who last week was confirmed as non-executive deputy chairman of the company, is also looking at the notice period in the contracts.

Last week, Mr Roger Braidwood resigned as finance director. He received less than a year's salary in compensation.

Euro Disney denies closure

By Alice Rawsthorn in Paris

EURO Disney, the lossmaking leisure group, yesterday took the unusual step of issuing a formal statement denying that it was considering plans for the temporary closure of its troubled theme park during the winter.

Analysts were perplexed by the company's decision to publish the statement, given that Euro Disney executives last week had verbally denied the temporary closure rumours.

The statement also did nothing to help Euro Disney's shares, which ended the day unchanged at FFr56 despite the upward trend in Paris.

ABB managers strip for action

Ian Rodger reports on the Swiss engineering group's streamlining

SINCE 1988, when Mr Percy Barnevik led Sweden's Asea engineering and robotics group into a merger with the venerable but flagging Swiss power engineering group Brown Boveri, the new ABB Asea Brown Boveri has hardly paused for breath.

But a new streamlined management structure unveiled by Mr Barnevik yesterday suggests that this uniquely multinational industrial group could move even faster in the future.

In the past five years, ABB has acquired some 60 companies all over the world, some of them, such as Combustion Engineering in the US, huge.

It has also marched boldly into eastern Europe, buying up rundown engineering companies and successfully injecting western management techniques. More recently, it has focused on fast growing Asian markets for its heavy infrastructure products.

Along the way, ABB managers have closed dozens of plants and, since the spring of 1990, eliminated more than 40,000 jobs. The group's non-recurring charges typically run at over $100m a year.

But it now can claim that its $32bn in annual sales are spread fairly evenly among the world's three main economic regions, whereas at the outset it was active mainly in European markets. It also claims to be the world's largest power engineering group whereas Asea and Brown Boveri were marginal players.

However, it is not only ABB that has changed. As Mr Barnevik observes, the creation of huge, rather protectionist, regional trading blocks has happened with surprising speed. The economic integration of central and eastern European countries into the European block is also proceeding apace. And the elimination of protectionist barriers between western European countries is accelerating.

For a group which produces heavy infrastructure equipment – from power stations to railway locomotives – these changes have a big impact on the way it should conduct its business.

One consequence has been faster growth of large turnkey projects. Developing countries have always tended to purchase infrastructure on a turnkey basis because they did not have the engineering skills themselves. Now developed countries are moving that way as well, as privatised utilities shed the huge in-house design and engineering bureaucracies that flourished under state ownership.

Mr Barnevik recalled yesterday that when ABB was formed, his main objective was to make managers within the group's thousands of operating units more responsible for performance. No fewer than 5,000 profit centres were established. The emphasis was on decentralisation and as few layers of middle management as possible.

He still likes those principles, but he and other ABB directors have found that they, and the management structures built to implement them, were not enough for the new environment in which they operate.

ABB managers have been fairly successful in preventing individual ABB companies from competing against each other for business, but they have failed so far to bring together all their resources for making bids on big turnkey projects.

Various group divisions supply most of the technology and equipment needed to build steel rolling mills and pulp and paper mills. However, as the know-how and marketing efforts are dispersed, ABB seldom makes effective bids for large integrated projects.

"We want to facilitate integrated system thinking," Mr Barnevik says.

Thus, the power distribution and power transmission divisions are being combined. Most of the "various activities" division is being put into an industrial plants division.

ABB has so far used the popular matrix management system, under which directors have both regional and line responsibilities. But in the new executive board, this is being simplified, with three directors having only regional responsibilities and four only divisional responsibilities.

Mr Barnevik said some board directors had been choking under the complexity of their responsibilities. The solution will be to push more tasks down to the next layer of management.

It remains to be seen how this will work out in practice. Mr Barnevik made clear that no management consultants had been used in the design of the new structure. "We have enough management talent here that if we put our heads together, we should not need consultants."

One thing is certain; the pace of change at ABB will remain brisk. Commenting on the group's decision to provide $500m for plant closures this year, Mr Barnevik said he was unhappy having to put large sums into the profit and loss account every year for non-recurring costs.

"A group like ours will have to live with restructuring as a normal part of its business. So we are doing this big move now, and then I hope to get out of the habit of reporting non-recurring costs."

Asked what he thought an acceptable annual level of unhighlighted restructuring costs might be, he replied, "about 1 per cent of invoicing".

Ferfin issues figures on alleged irregularities

By Haig Simonian in Milan

FERRUZZI Finanziaria (Ferfin) yesterday fired a warning shot in the run-up to what is expected to be a decisive week for the troubled Italian group.

Montedison's new management yesterday issued the first official figures on an alleged L435bn irregularity in its 1992 accounts.

The figures shows that on May 24, Financing and Investments, a non-consolidated Curacao-based subsidiary, lent $133.9m and FFr839m (equalling L435bn) to a Virgin Islands company called Exilar.

On Monday, shareholders at Montedison, Ferfin's main subsidiary, will vote on whether to extend legal action against former management. Earlier this month, the group's new executives, imposed by its main creditor banks, obtained a L600bn temporary sequestration order on assets of six former managers and the heirs of Mr Raul Gardini, its former chief.

On Tuesday, shareholders in Ferfin will decide on the plans to slash the nominal value of shares to L5 from L1,000. It is then proposed the shares be consolidated on the basis of 200 for one to restore the nominal value.

Acquisitions give boost to Wolters Kluwer

By Ronald van de Krol in Amsterdam

WOLTERS Kluwer, the Dutch publisher, yesterday reported a 26.6 per cent rise in net profit for the first half of 1993 and predicted that full-year net results would rise by more than 20 per cent.

Net profit totalled Fl 138m ($72.66m) against Fl 109m a year earlier, on sales up 8 per cent at Fl 1.25bn.

The company said a series of acquisitions since mid-1992 accounted for over half of the 25 per cent rise in first-half operating profit to Fl 225m.

Recent acquisitions, plus financing for educational activities in Sweden, helped push financing costs up to Fl 17m from Fl 10m a year earlier.

Wolters Kluwer's first-half results were slightly above expectations, and its shares rose by Fl 0.70 to close at a year's high of Fl 99.

In its forecast for 1993, the company said also said net earnings per share would rise by about 17 per cent this year on a full-diluted basis.

In 1992, net profit rose 20.4 per cent to Fl 257.6m, while net profit per share increased by 19.9 per cent to Fl 4.15 a share.

End of bid war clears way for US energy merger

By Frank McGurty in New York

THE DECISION by Ipalco Enterprises, parent of Indianapolis Power & Light, to end its bitter five-month, $1.73bn takeover bid for PSI Resources has cleared the way for PSI's friendly merger with Cincinnati Gas & Electric.

Mr John Hodowal, Ipalco chairman and chief executive, surprised PSI's annual meeting on Monday by announcing that the company was dropping its $30.50 tender offer for PSI shares. This was because Ipalco had failed to gain sufficient proxies to elect five candidates to PSI's 14-member board.

The fight for PSI, which supplies electricity to 600,000 customers in the counties surrounding Indianapolis, is another ripple in a wave of consolidation that analysts expect to sweep the US utility industry in the coming years.

Until recently, hostile takeovers have been rare. However, with utilities facing growing competition in the wake of federal deregulation, many are seeking to trim their costs through economies of scale.

"I wouldn't be surprised to see 25 per cent of the industry involved in consolidation over the next five years," said Mr Daniel Scotto, an analyst with Donaldson, Lufkin & Jenrette Securities in New York. "Already, in the past three or four years, the industry has seen more consolidation than it had over the previous 50 years."

PSI has estimated that it would save about $1bn in fuel, maintenance and other costs over the next 10 years through a merger with CG&E. The two utilities are proposing to form a new company, called CINergy, with shareholders of each swapping their shares for shares in the group.

The value of the deal is linked to the value of shares in the Ohio-based utility.

The PSI-CG&E link is still contingent on regulatory approval. Indiana utility regulators are expected to focus on the threat of predatory pricing, which could endanger Ipalco, a utility that serves an area encircled by that served by PSI. Ipalco's proposed takeover of PSI was largely a defensive action to prevent its neighbouring rival from gaining a competitive edge.

State approval of the merger was not a foregone conclusion, said Mr Scotto. He said regulators would examine how the deal would affect the state as a whole. PSI would have to demonstrate clearly that the proposed merger would indeed result in savings to ratepayers throughout the region.

Regulatory approval was the issue that appeared to turn the tide in the PSI proxy fight away from the Ipalco proposal.

In the end, shareholders seemed convinced by the argument of PSI management that the high premium to book value that Ipalco was willing to pay would be viewed unfavourably by state authorities because of the impact on electricity rates.

Japanese brokers move into banking

By Emiko Terazono in Tokyo

JAPAN'S Big Four brokers – Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities – have moved into the banking business by setting up trust banking subsidiaries.

The move follows April's partial deregulation of the barriers between the banking and securities industries in Japan. It follows the the creation of securities subsidiaries by the three long-term credit banks and Norinchukin, the central agricultural institution.

The move into the trust banking business will have little immediate impact on the brokers' group profits or to the operations of existing trust banks. The range of businesses of the new banking subsidiaries will be limited to investment trusts, land trusts and foreign exchange.

The new trust banks, capitalised between Y20bn ($194m) and Y30bn, will not have access to the special loan trusts, or *tokkin* funds, the specified investment trust funds, thus the territory of the existing trust banks will be protected.

The securities subsidiaries of the long-term credit banks, including Industrial Bank of Japan and Long-Term Credit Bank, started underwriting bonds in June. The brokers fear that the banks, which have links to leading stock market-listed companies, have more to gain from liberalisation.

Mr David Marshall, analyst at IBCA, the banking credit agency, said the brokers' entry into the banking business would have little impact on the financial industry in the foreseeable future.

The new subsidiaries, along with Bank of Tokyo's new trust banking unit, will start operations around October, after authorisation from the ministry of finance.

Matsushita Electric suffers 7% fall

By Michiyo Nakamoto in Tokyo

MATSUSHITA Electric, hit by weak sales and a strengthening yen, yesterday reported a 7 per cent decline, to Y33.7bn ($326.2m), in first-quarter consolidated pre-tax profits.

The Japanese consumer electronics group said sales were down 7 per cent, to Y1,596bn compared with a previous Y1,713bn. Net income was 23 per cent lower at Y6.7bn against Y8.7bn.

Matsushita, in common with other Japanese consumer electronics manufacturers, has suffered the impact of the high yen, continuing sluggish demand for audio-visual products, and a cool summer in Japan.

Although sales in overseas markets were actually higher than the previous first quarter on a local currency basis, the gains evaporated under the impact of the higher yen, Matsushita said.

In Japan, the company continued to face weak demand as consumer spending tailed away. The weakness of personal consumption and private capital spending have been cited as the main factors preventing the Japanese economy from recovering.

Sales of video products declined 13 per cent, while audio equipment fell 6 per cent on slow demand.

Home appliances were down 13 per cent as sales of air conditioners were hurt by an unusually cool summer in Japan. Demand for communication and industrial equipment was also weak.

Matsushita is currently enjoying huge box-office success with Jurassic Park, a movie produced by its MCA film studio subsidiary. However, it still suffered a 2 per cent decline in sales from its entertainment businesses.

This was blamed on the yen's appreciation, which more than offset an increase in dollar-based sales, the company said.

Although Matsushita has had some recent consumer successes, such as an advanced rice cooker, and cordless telephones, it has faced prolonged weakness in the Japanese market, particularly for audio-visual products.

The strong demand expected for key products, such as the digital compact cassette, a digital portable audio format developed with Philips, the Dutch consumer electronics group, has not materialised. It will take considerable time for demand to emerge for other promising products, such as high-definition TV.

The company's second-quarter results are expected to be disappointing.

Private consumption is not expected to improve significantly in the near term, unless the government agrees to an income tax cut soon.

Nissan cuts European suppliers to UK and Spanish plants

By Kevin Done,
Motor Industry Correspondent

NISSAN, the Japanese carmaker, has reduced the number of European-based components producers supplying its vehicle assembly plants in the UK and Spain by 8 per cent in the last year.

It has cut the number of its suppliers in Europe to 431 from 470 a year ago, and the total is expected to fall to between 350 and 400 by the end of the decade, according to Mr Bob Hampson, Nissan Europe's purchasing general manager.

The reduction of its supplier base, a trend common throughout the motor industry, is part of its attempts to rationalise the number of companies supplying its separate vehicle manufacturing operations in the UK and Spain.

Of its current suppliers in Europe, Nissan has 214 in Spain, 143 in the UK, 36 in Germany, 20 in France, and seven in Italy.

Its two European manufacturing operations, Nissan Motor Manufacturing in the UK and Nissan Motor Iberica in Spain, are expected to buy components in Europe worth around £1.2bn ($800m) this year, said Mr Hampson.

NMUK, Nissan's £900m car plant at Sunderland, in north-east England, is forecasting total components purchases in Europe in 1993 of £850m from its 198 suppliers, with an output of around 270,000 cars.

The Spanish operation, which is forecasting output this year of around 90,000 vehicles – most importantly the Terrano II/Ford Maverick four-wheel drive leisure utility vehicle and the Serena multipurpose vehicle – will purchase components worth around £350m from a total of 270 suppliers.

The main reduction in supplier numbers has already been achieved by Nissan Motor Iberica, which been more than halved its supply base from 560 suppliers five years ago.

At present, only 37 of Nissan's suppliers in Europe produce components for both its UK and Spanish operations. However, Nissan is pushing hard to increase the number of common suppliers as an important step in cutting the heavy losses of its less efficient Spanish business.

The number of suppliers to its UK car plant has grown from 31 in 1986, when the Sunderland factory first began small-volume production, to the present level of 198.

The main effort to rationalise the supply base will continue to be in Spain, where Nissan acquired the former Motor Iberica operations in the early 1980s, together with its diffuse supplier network then common to the European motor industry.

Caltex passes dividend

By Bruce Jacques in Sydney

CALTEX, the Australian petroleum group, has again passed its dividend despite a strong earnings recovery in the six months to June.

The company lifted net profit to A$35.5m (US$23.6m) from A$7.9m for the half-year, on a 7 per cent revenue rise to A$1.75bn. The result followed a widening of operating margins, and a A$9.7m benefit from lower tax.

Interest costs eased from A$27.3m to A$26.2m.

However, falling crude oil prices and petroleum product discounting is clouding the outlook for the current six months, Caltex says. As a result, there is again no interim dividend.

● **Bank of Melbourne**, the regional bank, has shrugged off a big increase in doubtful debt provisions to record a strong profit lift for the year ended June.

Net earnings have jumped from A$8.6m to A$91.2m despite a 7 per cent fall, to A$547.9m, in total revenue. The dividend is going up from 13 to 30 cents a share.

The result reflected a A$74m abnormal loss in the previous year. Gross profit rose just 5 per cent to A$97.1m. Doubtful debt provision rose 47 per cent to A$42.6m.

Tax provision took A$36m, against A$2.5m previously.

PWA rejects offer for routes

PWA, parent of Canadian Airlines, has rejected Air Canada's offer to buy its international routes for C$200m (US$151m) and assumption of C$800m debt and lease obligations, writes Robert Gibbens.

PWA said its directors decided the offer would "adversely affect" the interests of shareholders, creditors, employees and customers.

Mr Rhys Eyton, PWA chairman, said the net purchase price would really be C$100m for routes generating C$1.4bn annual revenues. Also, PWA would be left with 23 surplus aircraft. Total cost of downsizing Canadian Airlines to a domestic and trans-border carrier would be C$440m, he said.

Bank of Montreal slightly ahead

By Robert Gibbens
in Montreal

BANK OF MONTREAL, Canada's third-biggest chartered bank, yesterday reported third-quarter net profits of C$180m (US$136m), or 66 cents a share, slightly better than expected. This compared with C$173m, or 64 cents a share, a year earlier.

The bank's chairman, Mr Matthew Barrett, said that despite higher provisions for credit losses, loan volumes were higher and securities trading and other income were up strongly. He said costs had been kept under control.

Total revenues were up 7 per cent in the quarter, which ended July, and managed to grow at a faster rate than expenses.

Most Canadian analysts had estimated the bank's third-quarter net profit would be 63 cents a share, said Mr Roy Palmer, bank analyst with Bunting Warburg in Montreal.

For the first nine months of the year, the bank earned C$508m, or C$1.86 a share, up 5.9 per cent from C$480m, or C$1.79 a share, a year earlier.

Revenues rose 8.9 per cent and the increase in expenses, after exchange factors and taxes, was held to less than 2 per cent. Return on average equity was 13.6 per cent, against 14.4 per cent a year earlier.

Provision for credit losses was increased 4 per cent to C$675m. Non-performing loans totalled C$2.1bn at end-July, up 2 per cent. Total assets stood at C$111bn, against C$105bn a year earlier.

Bank of Montreal is the first of Canada's big six commercial banks to report its third-quarter results.

Haeco profits up strongly as sales climb

By Simon Davies
in Hong Kong

HONG Kong Aircraft Engineering Company (Haeco), a Swire Pacific group company, yesterday announced an 18 per cent increase in net profit for the six months ended June. The result was HK$213.8m (US$27.4m), up from HK$180.5m in 1992.

Turnover increased by 10 per cent to HK$1.01bn. This was attributed to heavy utilisation of the company's airframe maintenance and engine overhaul facilities.

Earnings were also boosted by a maiden contribution from the group's 26 per cent-owned Australian aircraft maintenance company, Asta Aircraft Services, which had been a consistent lossmaker.

With the continued expansion of Cathay Pacific's air fleet, and that of its associate airline Dragonair, Haeco is expected to operate at full maintenance capacity during the second half.

The interim dividend is going up to 30 cents a share, against 27 cents in 1992.

Lending increase boosts Indonesian listed banks

By William Keeling in Jakarta

INDONESIA'S stock market-listed banks have announced mostly improved results for the first half of 1993. They were helped by an increase in lending as banks lowered interest rates but maintained margins.

Bank Internasional Indonesia posted a 35 per cent rise in gross profit, to Rp83.7bn ($39.9m), while gross profits at Lippobank rose 54 per cent to Rp31.3bn. Gross profits at Bank Niaga climbed 6.6 per cent to Rp22.4bn, and at Panin Bank by 5 per cent to Rp21.46bn.

Bank Bali was alone among the leading listed banks to report lower gross profits. It suffered a 14.3 per cent setback to Rp42.5bn.

Most banks have also seen an increase in loan growth and deposits. Lippobank's loans in the first half grew 15 per cent after asset reclassification, to Rp3,090bn, and deposits rose 10 per cent to Rp3,400bn. BII's loans and deposits grew 8.5 per cent and 11 per cent, to Rp3,850bn and Rp3,885bn respectively.

The banks have taken advantage of the lending constraints on state banks, which account for about half the sector's assets. Most state banks have failed to reach higher capital adequacy requirements set by the central bank and have been told to limit new lending.

Local brokers expect listed banks to raise more capital by the end of this year to further increase loan growth.

German SE system to expand

GERMANY'S computerised stock exchange trading system Ibis will be extended to include trade in 16 D-Mark Eurobonds, Reuter reports from Frankfurt. The extension takes effect in two weeks.

The new Eurobonds are heavily-traded issues from sovereign, supranational and private issuers. Ibis was launched in April 1991 to trade the 30 shares which form the Dax index and 30 government bond issues. Six more shares and 21 option certificates were added last year.

Novo Nordisk to invest $8m in US researcher

By Hilary Barnes
in Copenhagen

NOVO Nordisk is making an $8m equity investment in Anergen, a Californian pharmaceuticals research company. The deal gives the Danish company 17.5 per cent of Anergen.

The agreement between Novo Nordisk, a leading force in insulin production and diabetes care, will give the Danish group marketing rights (outside North America) to products developed by Anergen, which specialises in developing therapies for a group of diseases including diabetes and multiple sclerosis.

In addition to the investment, Novo Nordisk will fund research and development programmes, bringing its total investment in Anergen to around $25m, said Novo Nordisk.

Samancor net slides to R175m

SAMANCOR, the South African chrome and manganese producer, reports steeply lower profits for the year ended June. It is cutting its dividend from 90 cents a share to 50 cents, Reuter reports from Johannesburg.

Turnover fell from R2.06bn ($613m) to R1.79bn, and the weak business background translated into pre-tax profits of R144.4m, down from R381.5m in the previous year.

Attributable net earnings, following a one-off rationalisation charge of R42m and a tax credit of R53m, were R175.6m, against R277.1m.

Samancor hopes to form joint ventures with two French and Japanese companies this year to secure outlets for products and so enhance its market position.

It said its manganese division was finalising a joint venture with Société du Ferromanganese de Paris-Outreau of France to produce medium carbon ferromanganese.

Samancor expects to take a 5 per cent equity stake in the French company for a "relatively modest investment". Its chrome division is also negotiating an agreement with Japan's Nippon Denko.

NEWS DIGEST

Liberty Life turns in 22% increase

LIBERTY Life, the largest stock market-listed life assurer, reports a 22.3 per cent increase, to R177m ($52.7m), in net taxed surplus attributable to shareholders for the six months ended June, writes **Phillip Gawith** in Johannesburg. New business at Liberty, and its wholly-owned subsidiary Charter, rose 47 per cent to R1.04bn.

The company has offered shareholders an effective increase of 50 per cent in their interim dividend to encourage acceptance of shares in lieu of cash.

Northam hit by mine production shortfalls

FAILURE to achieve production targets was blamed for an accumulated loss of R47.1m ($14m) for the year ended June at Northam, the platinum mine in the Gold Fields group. Northam, which raised R350m through a rights issue last January, has been forced to seek further funding. The mine has so far cost R1.5bn to bring to production.

Mr John Hopwood, chairman, blamed the mine's problems on the fact that it had been operating at milling rates of around 80,000 tonnes per month, against a target of 150,000 tonnes.

He said the situation was improving. The milling rate rose to 100,000 tonnes in July, and another increase in August looked likely. He said target milling rates should be reached by the middle of this financial year.

Nintendo plans new video games range

NINTENDO America, the US arm of the Japanese video game maker, announced plans for a new generation of home video game machines using advanced microprocessor and computer graphics technology provided by Silicon Graphics, writes Louise Kehoe in San Francisco.

Nintendo said the new game machine would be available in 1995 at less than $250.

Overseas selling may signal end of bull run in gilts

By Peter John in London and Patrick Harverson in New York

THERE were signs yesterday that the bull run in the UK government bond market might be losing momentum.

It may have been straws in the wind, but dealers reported overseas selling, particularly from Europe and eastern Asia. They also mentioned switching into German and French government paper.

The main slide occurred in maturities longer than 10 years, the area which recently experienced the biggest gains once the market had latched on to the belief that the UK promised economic growth with low inflation. The 8.75 per cent bonds expiring in 2017 fell ¾ to 114¾.

GOVERNMENT BONDS

Mr John Shepperd, gilts specialist with Yamaichi, the Japanese securities house, said: "It seems like there has been a bit of a mood change. People had been buying into the dips and now they have started selling into them. There is a feeling that gilts have hit fair value."

Short-dated maturities, which respond to interest rate changes rather than inflation perceptions, held steady ahead of a hoped-for rate cut in Germany tomorrow.

Debate over a German rate cut continued to transfix the German debt market while switching and position-taking ahead of an auction today unsettled prices.

Investors were selling the most recent 10-year issue to buy bonds issued by the Treuhand, the agency responsible for the sale of former East German companies, because the spread between the two presented an arbitrage opportunity.

Also, considerable interest from domestic and international investors ahead of an auction of between DM4bn to DM6bn of four-year Schatz bonds diverted attention. September bund futures traded on Liffe closed at 97.14, marginally lower on the day, even though cost of living figures from Baden-Württemberg were in line with forecasts and gave encouragement to economists who have predicted a quarter point cut in the German discount rate to 6.5 per cent.

■ FRENCH 10-year bonds were stronger as investors concerned over the short-term prospects for interest rates switched out of shorter-dated paper. The September Notionnel French government bond future on the Matif was a quarter point firmer at best and ended a net 12 basis points higher.

■ AMONG the high yielders, Spanish bonds shrugged off disappointment that the repo rate was left unchanged at 10.5 per cent as investors, particularly US hedge funds, bought 10-year maturities up to near-record levels.

The rise in prices pushed the yield on 10-year paper down to around 9.27 per cent. Mr Jouni Kokko of S.G. Warburg said 10-year yields had fallen from above 14 per cent since last October and his forecast of 8.8 per cent by the end of the year was already looking conservative.

Italian debt prices also jumped sharply, helped by encouragingly low wage inflation data which added to the confidence inspired by Monday's lower than expected consumer prices numbers.

■ AUSTRALIAN bonds plunged as the currency fell sharply and dealers said uncertainty over the future of the budget, which opposition parties have threatened to block in the Senate, undermined market confidence.

The 9.5 per cent Commonwealth bond maturing in August 2003 fell 1¼ points and the yield rose 21 basis points to 7.03 per cent. Dealers said investors were principally nervous about the budget's path through parliament, with the opposition parties calling for changes but the currency's slide by one US cent overnight also dampened sentiment.

■ US TREASURY prices continued to give up ground at the long end yesterday morning in subdued trading.

By midday, the benchmark 30-year government bond was down $\frac{7}{32}$ at 100$\frac{5}{32}$, yielding 6.236 per cent. At the short end of the market, the two-year note was unchanged at 100$\frac{3}{32}$, to yield 3.927 per cent.

The market opened in listless fashion for the second consecutive day. Dealers blamed the absence of fresh economic news, and a busy holiday week, for the lack of interest in the market and the low levels of trading activity.

The only feature of the morning was some manoeuvring by dealers and investors ahead of the afternoon auction by the Treasury of $16bn in two-year notes. Analysts said they expected the auction to go reasonably well.

FT FIXED INTEREST INDICES

	Aug 24	Aug 23	Aug 20	Aug 19	Aug 18	Year ago	High *	Low *
Govt Secs (UK)	101.51	101.88	101.77	102.07	102.36	87.56	102.38	93.28
Fixed Interest	123.97	123.93	124.27	124.51	124.54	103.62	124.54	106.67

Basis 100: Government Securities 15/10/26; Fixed Interest 1928.
* for 1993. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75)
Fixed Interest high since compilation: 124.54 (18/8/93), low 50.53 (3/1/75)

GILT EDGED ACTIVITY

Indices*	Aug 23	Aug 20	Aug 19	Aug 18	Aug 17
Gilt Edged Bargains	92.5	92.4	101.2	110.9	103.5
5-Day average	100.1	101.6	106.8	112.7	118.8

* SE activity indices rebased 1974

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		9.500	08/03	117.5017	-1.519	7.03	6.81	7.13
BELGIUM		9.000	03/03	112.7000	-0.100	7.12	7.11	7.15
CANADA *		7.500	12/03	103.9500	+0.195	6.95	6.97	7.34
DENMARK		8.000	05/03	108.7500	-0.120	6.74	6.76	7.16
FRANCE	BTAN	8.000	05/98	108.7676	-0.175	5.80	5.80	6.25
	OAT	8.500	04/03	115.1800	+0.160	6.34	6.36	6.79
GERMANY		6.500	07/03	101.2650	-0.010	6.32	6.31	6.51
ITALY		11.500	03/03	110.6800	+1.230	10.01†	10.03	11.06
JAPAN	No 119	4.800	06/99	104.4453	+0.197	3.67	3.76	3.96
	No 157	4.500	06/03	101.6216	-0.071	4.29	4.19	4.14
NETHERLANDS		7.000	02/03	105.8300	-0.070	6.19	6.21	6.33
SPAIN		10.300	06/02	106.1250	+0.800	9.24	9.41	10.29
UK GILTS		7.250	03/98	103-17	+4/32	6.35	6.26	6.74
		8.000	06/03	107-04	-8/32	6.98	6.82	7.48
		9.000	10/08	114-22	-9/32	7.37	7.26	7.86
US TREASURY *		5.750	08/03	101-07	-	5.58	5.69	5.94
		6.250	08/23	100-07	-14/32	6.23	6.26	6.71
ECU (French Govt)		8.000	04/03	108.3500	+0.300	6.79	6.83	7.27

London closing, *denotes New York morning session. Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. *Technical Data/ATLAS Price Sources*

Austrian futures exchange teaches bourse a lesson

By Ian Rodger in Vienna

MIDDLE Europeans like to gamble. That, according to an Austrian banker, is the main explanation for the rapid growth of the Austrian Futures and Options Exchange (OTOB).

Opened only 15 months ago, OTOB has become a bigger draw than the Vienna bourse. The contract value of OTOB's stock options is regularly three times as great as the volume of sales in the underlying shares. In other European markets, this relationship tends to be roughly one to one.

OTOB is even making a mark in Europe. Last month, volume in its five stock options was greater than the Paris MASIP exchange had on its 15. Options on the shares of Creditanstalt Bankverein, a leading Austrian bank, have become the third most popular bank stock options in Europe, after Union Bank of Switzerland and CS Holding.

Developed on a shoestring budget of Sch110m ($9m), the exchange now finds that it is likely to cover its operating costs in its second year of operation.

At first glance, this performance is all the more surprising because Austria's stock market is so unsuccessful. Activity there is so shallow that only 18 shares are traded continuously, and the market's notoriety for insider activity keeps individuals away in droves.

Individual investors account for only a tiny proportion of those who regularly trade in shares, preferring, it was long thought, to stuff their savings into the anonymous bank accounts that used to enable them to escape tax.

But OTOB has found that most of those few individuals who still trade on the stock exchange are sophisticated investors, and they were quick to take to futures and options. "We have a good retail base of four or five thousand people who understand markets and like derivatives," says Mr Christian Imo, chief executive of OTOB.

Mr Imo estimates that retail investors provide about one-third of the volume on the exchange, much more than on the *Deutsche Termine Börse* or on Switzerland's Soffex.

The other reasons for the popularity of OTOB, he believes, are its transparency and liquidity. The exchange operates electronically, with market participants able to see on their screens all the bid and *offered prices* as well as all the transactions as they happen.

OTOB is also fairly easy to understand and follow. Its product range is limited to options on five leading shares, options and futures on the ATX index of the 18 continuously traded shares and – the latest product line – futures on a notional 10-year Austrian government bond.

The exchange insists on having at least three market makers for each product, and they must provide prices on demand.

The success of OTOB has been a lesson to the Vienna bourse, which is now rushing to install its own electronic trading system and to take other steps to improve transparency. In October, insider trading is finally to become a criminal offence.

Like other futures and options exchanges, OTOB has its problems, in particular, finding ways to respond to the fast burgeoning competition from over the counter derivative products offered by banks.

OTOB, whose options run only to six months, is planning to introduce longer term options in the next few months on the ATX Index and on the Creditanstalt share. It is also working on a future on a Vienna interbank interest rate (Vibor).

Another challenge is linking with other futures and options exchanges. OTOB's project with SOFFEX to allow each other's members to trade on both exchanges was scuppered last month when SOFFEX directors disapproved.

Mr Imo does not conceal his disappointment, but he believes these links will gradually come, especially as barriers between Austria and the European Community come down.

Canada plans to ease stock issuing rules

By Robert Gibbens in Montreal

CANADIAN SECURITIES regulators plan to make it easier for international foreign companies to issue stock in Canada by amending *prospectus regulations.*

If the plan goes through, big companies will be able to sell up to 10 per cent of a global equity issue in Canada without issuing a separate Canadian prospectus.

The Canadian investment industry has long complained that the costly prospectus system and other restrictions have deprived them and Canadian investors of lucrative opportunities.

The new policy will mean that provincial regulators will accept foreign prospectuses as long as they meet basic disclosure requirements.

Deals in Eurodollar sector as activity slows

By Antonia Sharpe

ACTIVITY in the international bond market slowed considerably yesterday as the Bundesbank's council meeting approached. The German central bank is widely expected to cut interest rates when it meets tomorrow.

Syndicate managers said that investors were also keeping their powder dry in order to take up the global bond issues by sovereign borrowers which are expected to be launched in the coming weeks.

INTERNATIONAL BONDS

They also reported that a German regional bank could soon launch a 10-year, zero-coupon bond denominated in lira to benefit from favourable swap opportunities from the Italian currency into D-Marks.

The few deals which did emerge yesterday were concentrated in the Eurodollar sector, as issuers took advantage of continued investor demand for senior floating-rate assets denominated in dollars.

As a result, Spintab, the Swedish domestic mortgage association owned by Swedbank, *was able to increase its* five-year offering of floating rate notes (FRNs) by $50m to $250m.

The notes, which were priced at a slight discount to par, had a yield at issue of 29 basis points over six-month London interbank offered rate (Libor). The bonds were not freed to trade by yesterday afternoon.

An official at the lead manager, Kidder Peabody, said that the offering represented a significant improvement in Spintab's funding costs. The all-in cost to the issuer on yesterday's offering was 33 basis points over Libor, compared with an all-in cost of 80 basis points over Libor on its $300m offering of five-year FRNs launched in February.

He added that the deal's good reception indicated that Scandinavian banks were returning to favour with international investors after the *industry's financial difficulties* during the past few years.

Kidder Peabody also arranged a $100m, five-year offering of FRNs for BankAmerica Corp, for which it was the sole lead manager. The coupon of 25 basis points over three-month Libor was in line with yield spreads on BankAmerica's existing international FRN offerings.

The City of Stockholm *launched a swap-driven transaction* in the Canadian dollar sector. It raised C$100m, which was believed to have been exchanged for dollars, through an offering of five-year Eurobonds.

The bonds, which have a coupon of 6¾ per cent, were re-offered at 99.10 to yield 50 basis points over the 6½ per cent Canadian Treasury due 1998.

When they were freed to trade, they were quoted at 99.10 bid.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
Spintab‡	250	(a)	99.825R	Sep.1998	0.2R	-	Kidder Peabody Intl.
Sparekassen Bikuben(b)‡	100	(b)	98.8R	Sep.2000	0.85R	-	Chemical Investment Bank
BankAmerica Corp.‡	*100*	*(c)*	variable	Sep.1998	undiscl.	-	*Kidder Peabody Intl.*
Wakita & Co.(d)ф	100	1.25	100	Sep.1997	2.25	-	Wako Intl. (Europe)
Eidensha Co.(d)ф	80	1.25	100	Sep.1997	2.25	-	Nomura International
Lavoro Bank Overseas(e)‡	50	(e)	99.36R	Sep.1998	0.25R	-	Morgan Stanley Intl.
CANADIAN DOLLARS							
City of Stockholm	100	6.75	99.1R	Oct.1998	0.3R	+50 (6½%-98)	Hambros Bank

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. фWith equity warrants. ‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Coupon pays 6-month Libor + 0.25%. b) Coupon pays 6-month Libor + 1.1% for years 1 - 4 and + 2.5% thereafter. Callable at par on any coupon payment date from September 1997. c) Coupon pays 3-month Libor + 0.25%. d) Fixing: 31/8/93. e) Issue launched on 19/8/93 was increased to $200m. Coupon pays 3-month Libor + 0.5%.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6.55 pm on August 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Abbey Natl Treasury 8½ 03	1000	101⅞	102⅛	+⅛	8.23
AlbertaProvince 9⅛ 95	600	109⅞	110⅛		4.49
Austria 8½ 00	*400*	*115⅝*	*115⅞*	+⅛	5.57
Bank of Tokyo 8⅜ 96	100	108⅛	108⅜	+⅛	4.95
Belgium 9⅛ 98	250	117⅞	118¼	+⅛	5.36
BFCE 7¾ 97	150	108⅞	109⅜		4.83
British Gas 0 21	1500	13½	13¾	+⅛	7.36
Canada 9 96	1000	110⅛	110⅜	+⅛	4.46
CCCE 9¼ 95	300	107⅜	107⅝		4.11
Council Europe 8 96	100	108¾	109¼	+⅛	4.75
Credit Foncier 9½ 99	300	118¾	119⅛	+⅛	5.45
Denmark 9¼ 95	1671	107⅜	107⅝		4.12
ECSC 8¼ 98	193	110	110⅜	+⅛	4.96
EEC 8¼ 96	100	108¾	109⅛		4.86
EIB 7¾ 96	250	108⅛	108½	+⅛	4.86
EIB 9¼ 97	1000	115⅜	115¾	+⅛	5.10
Elec de France 9 98	200	114¾	115¼	+⅛	5.26
Euro Cred Card Tst 9 94	325	*105*	105½		4.38
Eurofima 9¼ 96	100	110¾	111⅛	−⅛	4.65
Ex-Im Bank Japan 8 02	600	113⅛	113⅜	+⅛	6.00
Export Dev Corp 9½ 98	150	117	117⅜		5.44
Finland 7⅞ 97	300	107⅞	108⅛		5.29
Finnish Export 9⅜ 95	200	109⅝	110		4.60
Ford Motor Credit 6¼ 98	1500	102⅝	103	+⅛	5.68
Gen Elec Capital 9⅜ 96	300	112	112⅜	+⅛	4.67
GMAC 9⅛ 96	200	108¾	109⅛	+⅛	5.34
Ind Bk Japan Fin 7⅞ 97	200	108⅝	109	+⅛	5.27
Inter Amer Dev 7⅛ 96	200	108⅛	108½	+⅛	4.70
Italy 8½ 94	1500	105	105⅜	−⅛	4.03
Japan Dev Bk 8⅜ 01	500	115½	115⅞	+⅛	5.76
Kansai Elec Pwr 10 98	350	112⅞	113⅛	+⅛	4.71
LTCB Fin 8 97	200	107¾	108⅛	+⅛	5.42
Matsushita Elec 7¼ 02	*1000*	*107¼*	*107⅝*		6.28
New Zealand 9 94	850	105⅛	105⅜		3.76
Nippon Cred Bk 10⅜ 95	150	109⅝	110⅛	−⅛	4.88
Nippon Tel Tel 9⅜ 96	200	107½	108	+⅛	4.16
Norway 7¼ 97	1000	107½	107¾		4.94
Ontario 7⅜ 03	3000	108	108⅜		6.34
Oster Kontrollbank 8½ 01	200	116¼	116½	+⅛	5.77
Petro-Canada 7¼ 96	200	106⅛	106⅜	+⅛	4.79
Quebec Hydro 9¾ 98	150	117⅛	117⅜	+⅛	5.77
Quebec Prov 9 98	200	113⅛	113⅜	+⅛	5.68
Sainsbury 9⅛ 96	150	110⅝	111¼	−⅛	5.32
SAS 10 99	200	114¾	115½	+⅛	6.79
SBAB 9½ 95	600	108⅜	108⅝		4.44
SNCF 9½ 98	150	117⅜	117⅝	+⅛	5.37
Spain 6½ 99	1500	104¾	105	+⅛	5.56
State Bk NSW 8½ 96	200	109¼	109¾	+⅛	4.94
Sweden 5½ 95	2000	102¼	102½		4.42
Swedish Export 8⅜ 96	700	108¾	109⅛		4.73
Tokyo Elec Power 8¼ 96	300	110¾	111⅛	+⅛	4.81
Tokyo Metropolis 8¼ 96	200	110⅛	110½	+⅛	4.76
Toyota Motor 5⅝ 98	1500	101½	101¾	+⅛	5.24
United Kingdom 7¼ 02	3000	108⅞	109⅛	+⅛	5.97
World Bank 8⅜ 99	1500	115⅛	115⅜		5.60
World Bank 8¼ 97	1500	112⅞	113		4.79

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Austria 5⅞ 97	500	98⅞	100⅛		5.90
Belgium 7¼ 02	500	106¾	107⅛	+⅛	6.67
Credit Foncier 7¼ 03	2000	104¼	104⅝	+⅛	6.62
Denmark 6⅛ 98	2000	99¼	99⅞		6.18
Deutsche Finance 7½ 95	1000	101⅞	102⅛	+⅛	6.04
ECSC 8⅝ 96	*700*	*107¼*	*107⅝*		6.13
EEC 6½ 00	2900	101⅛	101½		6.23
EIB 7½ 99	400	106⅛	106⅜	−⅛	6.28
Finland 7½ 00	3000	105⅛	105¼	+⅛	6.49
Ireland 7¾ 02	500	107⅛	107⅝	+⅛	6.68
Italy 7¼ 98	5000	103⅛	103½	+⅛	6.34
Spain 7¼ 03	4000	104⅜	104½	+⅛	6.61
Sweden 8 97	2500	106½	106⅝	+⅛	6.18
Tokyo Elec Power 7⅝ 02	1000	106½	107	+⅛	6.65
United Kingdom 7⅛ 97	5500	103¾	104	+¼	6.07
Volkswagen Intl Fin 7 03	1000	102½	102⅞	−⅛	6.64
World Bank 0 15	2000	24⅜	24⅝	+½	6.53
World Bank 5¾ 96	300	101⅛	101½	+⅛	5.25
World Bank 8¾ 00	1250	114⅜	114¾	+⅛	6.05

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Asian Dev Bank 6 10	100	110	111		5.11
Council Europe 4¾ 98	250	101¾	102		4.31
EIB 6¾ 04	300	112¼	113	−¼	5.27
Elec de France 7¼ 06	100	115½	116		5.49
Finland 7¼ 99	300	112¼	112¾		4.88
General Motors 7½ 95	100	103½	104	+¼	5.15
Hyundai Motor Fin 8½ 97	100	107	107½	−½	6.48
Iceland 7⅝ 00	100	113	113¼		5.33
Kobe 6⅜ 01	240	110	111		4.83
New Zealand 4⅞ 99	200	101	101½	+¼	4.86
Ontario 6¼ 03	400	108	108¼	+¼	5.15
Quebec Hydro 5 08	100	98¼	99		5.17
SNCF 7 04	450	116¼	116⅜		5.05
World Bank 5 03	150	102¾	103¼		4.65
World Bank 7 01	*600*	*113*	*113½*	−¼	*4.89*

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Belgium 5 99	*75000*	102⅛	102⅜	+⅛	4.60
Denmark 7 95	40000	105⅛	105⅜		3.26
EIB 6⅝ 00	100000	111⅛	111⅜	+⅛	4.61
Elec de France 5⅝ 96	20000	105⅝	106⅛	+⅛	3.70
Finland 6¾ 96	50000	107¼	107½	+⅛	3.74
Inter Amer Dev 7¼ 00	30000	114½	114¾	+⅛	4.68
Japan Dev Bk 5 99	100000	103½	103¾	+⅛	4.33
Japan Dev Bk 6½ 01	120000	112¼	112⅜	+¼	4.64
Nippon Tel Tel 5⅞ 96	50000	106⅞	107⅛	+⅛	3.48
Norway 5⅛ 95	50000	102¾	103		3.33
SNCF 6¾ 00	30000	111½	111¾	+⅛	4.66
Sweden 5⅝ 95	*20000*	*104⅛*	*104⅜*		3.54
World Bank 6¾ 00	50000	112	112¼	+⅛	4.58

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Arbed 7½ 95 LFr	600	100	101		7.46
Genfinance Lux 9⅛ 99 LFr	1000	108⅛	110½		7.25
World Bank 8 96 LFr	*1000*	*102*	*103*		7.12
Bank Voor Ned Gem 7⅜ 02 Fl	1000	105⅞	106¼	+⅛	6.76
Energie Beheer 8¾ 98 Fl	500	110⅝	111⅛	−⅛	6.29
AlbertaProvince 10⅞ 96 C$	500	109⅜	109⅞	+⅛	6.37
Bell Canada 10⅞ 99 C$	150	113⅝	114⅛	+⅛	7.65
British Columbia 10 96 C$	500	108¾	109¼		6.43
EIB 10⅛ 98 C$	130	112¼	113⅛	+⅛	6.87
Elec de France 9¾ 99 C$	275	111⅝	112¼	+⅛	7.30
Gen Elec Capital 10 96 C$	300	108⅛	108¾	−⅛	6.69
KfW Intl Fin 10 01 C$	400	113½	114		7.57
Nippon Tel Tel 10¼ 99 C$	200	113¾	113⅝	+⅛	7.60
Ontario 8 03 C$	1500	103¼	103⅝	+⅛	7.66
Ontario Hydro 10⅞ 99 C$	500	115½	116	+⅛	7.37
Oster Kontrollbank 10¼ 99 C$	150	113⅝	114¼	+⅛	7.33
Quebec Prov 10½ 98 C$	200	113¾	114⅛	+⅛	7.26
Belgium 9⅛ 96 Ecu	1250	108⅛	108⅜	+⅛	6.43
Council Europe 9 01 Ecu	1100	111⅞	112¼	+⅛	7.04
Credit Lyonnais 9 96 Ecu	125	104⅞	105¼	+⅛	6.94
EIB 10 97 Ecu	1125	110⅝	110⅞	+⅛	6.46
Ferro del Stat 10⅛ 98 Ecu	500	111⅛	111⅝		7.06
Italy 10¾ 00 Ecu	1000	117⅝	118	+⅛	7.29
Spain 9 96 Ecu	1000	106⅛	106¼	+⅛	6.47
United Kingdom 9⅛ 01 Ecu	2750	112¾	113	+⅛	6.88
AIDC 10 99 A$	100	113	113¾	−½	7.18
BP America 12¼ 96 A$	100	112⅞	113⅛	−⅛	6.73
Comm Bk Australia 13¾ 99 A$	100	130¾	131¼	−⅛	7.30
Eksportfinans 12⅜ 95 A$	75	110¼	111	−¼	6.08
McDonalds Canada 15 95 A$	100	114⅝	115	−⅛	6.32
NSW Treasury Zero 0 20 A$	1000				
R & I Bank 7¾ 03 A$	125	101⅞	101⅞	−⅛	7.80
Sth Aust Govt Fin 9 02 A$	150	108¾	108¾	−⅛	7.68
Unilever Australia 12 98 A$	150	119	119½		7.02
Abbey Natl Treas 13⅞ 95 £	100	110⅜	110¾	−⅛	5.92
Alliance Leics 11⅜ 97 £	100	114	114⅜	+⅛	6.94
British Gas 12¼ 95 £	300	108¼	108⅝		5.93
British Land 12½ 16 £	150	134¾	134⅞	−⅛	9.13
EIB 10 97 £	637	110½	110¾	+⅛	6.47
Halifax 10⅜ 97 £	100	111⅛	111½		6.70
Hanson 10⅜ 97 £	500	110⅞	111¼	+⅛	7.23
HSBC Holdings 11 69 02 £	153	120⅛	120⅝	+¼	8.29
Italy 10½ 14 £	400	122	122⅜	−¼	8.24
Land Secs 9½ 07 £	200	109⅛	109½	−⅛	8.35
Ontario 11⅛ 01 £	100	119¼	119⅝	+⅛	7.83
Powergen 8⅞ 03 £	250	108⅛	108½	−⅛	7.63
Severn Trent 11½ 99 £	150	118¼	118⅝	−⅛	7.84
Tokyo Elec Power 11 01 £	150	120½	120⅞	−⅛	7.43
World Bank 11⅛ 95 £	100	108½	108⅞		5.88
Abbey National 0 96 *NZ$*	100	81	82		7.01
TCNZ Fin 9¼ 02 *NZ$*	75	112⅞	113⅜	−⅛	7.22
CEPME 10 95 FFr	2000	106¾	107⅛		6.00
Elec de France 8¾ 22 FFr	3000	116¾	117¼	+⅛	7.33
SNCF 9¼ 97 FFr	4000	110	110⅛		6.08

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
Banco Roma 0 99	200	99.41	99.65	3.3438
Belgium 1/16 97 DM	500	100.04	100.14	8.0000
BFCE -0.02 98	350	99.85	99.96	3.2500
Britannia 0.10 96 £	150	99.80	99.90	6.1625
CCCE 0 06 Ecu	200	98.89	99.22	7.4844
Citicorp Bkg ¼ 98	400	99.95	100.27	5.2500
Credit Foncier -1/16 98	200	100.37	100.83	5.0000
Credit Lyonnais 1/16 00	300	100.07	100.51	5.0000
Denmark −⅛ 96	1000	99.57	99.68	3.0625
Dresdner Finance 1/16 98 DM	1000	99.86	99.96	6.9688
Elec de France ⅛ 99	400	101.97	102.63	5.2500
Ferro del Stat 1/16 97	420	99.53	99.82	3.2875
Finland 0 97	1000	99.81	99.91	3.5000
Halifax BS 1/16 95 £	350	99.94	100.01	6.0625
Ireland 0 98	300	99.64	99.78	3.4400
Italy ⅛ 98	3000	100.00	100.07	3.6016
Leeds Permanent ⅛ 96 £	200	99.88	99.98	6.0000
Lloyds Bank Perp S 0.10	600	84.25	85.25	3.3710
Malaysia 1/16 05	650	99.96	100.17	5.2500
Nationwide 0.08 96 £	300	99.72	99.82	6.1425
New Zealand ⅛ 96	*250*	100.01	*100.16*	*3.4350*
Renfe 0 98	500	99.34	99.49	3.1250
Societe Generale 0 96	300	99.52	99.68	3.2500
State Bk Victoria 0.05 99	125	99.42	99.64	3.5500
Sweden 0 98	1500	99.97	100.05	3.3125
United Kingdom −⅛ 96	4000	99.92	99.99	3.1250

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
Browning-Ferris 6¾ 05	400	52½	99¾	100¾	
Chubb Capital 6 96	250	86	117⅛	118⅞	+12.47
Eastman Kodak 6⅜ 01	300	50.67	118⅝	119⅝	-1.26
Gold Kalgoorlie 7½ 00	65	1.0554	111⅜	112⅞	+43.56
Hanson 9½ 06 £	500	2.5875	117	117¾	+18.84
Hawley Pref 6 02	400	19.1	132¼	133¼	
Land Secs 6¾ 02 £	84	6.72	104¼	105¾	+6.17
Lasmo 7¾ 05 £	90	5.64	90⅝	91¾	
Mitsui Bank 2⅝ 03	200	2332.6	98⅛	101⅛	+16.63
Mount Isa Fin 6½ 97	100	2.283	101⅜	102⅜	+50.38
Natl Power 6¼ 08 £	250	4.33	102⅝	103	+24.17
Ogden 6 02	85	39.077	94⅞	95⅞	+55.29
Smith Nephew 4 02 £	90	1.775	132⅛	133⅜	+61.74
Sumitomo Bank 3⅛ 04	300	3606.9	96½	97¾	+22.43
Sun Alliance 7¼ 08 £	155	3.9	112⅞	113⅞	+12.95
Tesco Capital 9 05 £	200	2.51	124⅜	125¼	+33.98
Texas Instruments 2¾ 02	300	82⅞	108⅜	109¼	+6.61

* *No information available - previous day's price*
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (‡ three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Data supplied by International Securities Market Association

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	19	43	19
Other Fixed Interest	2	3	10
Commercial, Industrial	334	195	893
Financial & Property	*174*	*116*	*527*
Oil & Gas	28	15	38
Plantations	0	0	8
Mines	44	42	47
Others	58	23	47
Totals	659	437	1,589

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
120	F.P.	-	147	128	Babycraft	140		-	-	-	-
†150	F.P.	-	166½	150	British Telecom (P/Paid)	160	+½	N10.5	1.4	4.4	20.5
100	F.P.	-	100	94	Dunedin Japan Inv	98½		-	-	-	-
-	F.P.	-	66	36	Do Warrants	62		-	-	-	-
100	F.P.	-	102	97½	EFM Small Co's. Tst.	98		-	-	-	-
-	F.P.	-	58	52	Do. Warrants	54	+1	-	-	-	-
-	F.P.	-	8	3½	‡Explaura A	8		-	-	-	-
-	F.P.	-	153	149	Finsbury Smlr. Co's. C	153		-	-	-	-
85	F.P.	-	82	75	Flying Flowers	82		R01.3	3.2	1.6	18.6
-	F.P.	-	68½	67	For & Col Special Inc	68½	+½	-	-	-	-
-	F.P.	-	43½	42	Do Capital	43½	+½	-	-	-	-
-	F.P.	-	112	109	Do Units	112	+2	-	-	-	-
100	F.P.	-	111	101	Lazard High Inc Tst	108½	+½	-	-	-	-
-	F.P.	-	66	52	Martin Currie Pac Wts	64	+1	-	-	-	-
-	F.P.	-	26	18	Raglan Warrants	26		-	-	-	-
250	F.P.	-	345	285	Sharelink Inv Servs	331	+1	W7.5	1.8	2.8	23.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price £	+ or -
-	F.P.	-	111¼p	103p	Asprey 8¾pc Cnv. Pf.	110¼p	−¼
100	F.P.	-	107½	105	Coats Viyella 6¼pc Cv Bds 2003	107½	
100	F.P.	-	104⅛	99¾	Greenalls 7pc Cv. Bds. 2003	104	+¼
-	F.P.	-	113¾	107¾	Warburg 6½pc Cv Bds 2008	112¾	−½

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -
5	Nil	25/8	¼pm	¼pm	Alliance Res.	½pm	
70	Nil	27/8	2½pm	1pm	Business Technology	1¼pm	
75	Nil	3/9	30pm	3pm	Cussins Property	20pm	
8	Nil	1/9	3½pm	2½pm	‡Northumbrian Foods	3pm	
165	Nil	28/9	25pm	18pm	Sedgwick	25pm	
240	Nil	22/9	40pm	31pm	TT Group	31pm	−1
10½	Nil	27/9	1½pm	1pm	‡Willers	1pm	
1	Nil	4/10	¼pm	¼pm	‡Wilton	¼pm	

pm Price at a premium. † Price offered to public.
For other notes please refer to the Guide to the London Share Service.

TRADITIONAL OPTIONS

- First Dealings Aug. 23
- Last Dealings Sept. 10
- Last Declarations Nov. 25
- For settlement Dec. 6

3-month call rate indications are shown in Saturday editions.

Calls: Aran Energy, BM Group, East Surrey Water, Fairhaven, HSBC (75p), Microvitec, Mid-States and Psion. Puts: Babcock and Fairline Boats. Put & Call: Medeva.

FT-SE ACTUARIES INDICES

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LIFFE EQUITY OPTIONS

Option		CALLS Oct	Jan	Apr	PUTS Oct	Jan	Apr
Allied-Lyons	500	33½	46	55	13	28	30
(*513)	550	10½	22	31	42	64	55
Argyll	330	26	36	42	7	14	17½
(*348)	360	12	20½	26	21½	30½	32½
ASDA	57	10	-	-	2	-	-
(*64)	67	4	-	-	6	-	-
Brit Airways	345	19½	29½	-	15½	24½	-
(*346)	360	13	22	30	24	33	37
[illegible]	460	18	30½	40	26½	38½	40½
(*447)	500	6½	17	28	58½	63½	66½
Boots	460	32	40½	50	9½	16½	22½
(*480)	500	11	20	30	29	37½	43
BP	300	16	23½	28½	8	14	17
(*306)	330	5	9½	18	27½	31½	34
British Steel	110	11½	16½	20	5½	9½	12
(*114)	120	6	11½	15½	11½	15½	17½
Bass	500	34	42½	49	12	26	32
(*520)	550	9½	18	25	38½	58	61½
Cable & Wire	800	59	78½	92½	12	24	30
(*836)	850	33½	47½	63½	32½	46½	53
Courtaulds	550	31	43	55	13½	23	26½
(*581)	600	9	20½	31½	44½	51	56
Comm Union	580	46½	-	-	6	-	-
(*613)	628	16	-	-	27	-	-
GKN	460	43½	-	-	7	-	-
(*467)	500	17½	-	-	34½	-	-
ICI	650	34	55	-	19	28½	-
(*661)	700	7	21	30	64½	70	68½
Kingfisher	650	39½	59	72	16	24½	28
(*677)	700	12	31½	44½	41	50	55
Land Secur	650	31½	46	57	19	25	29
(*682)	700	9	22	33	42	51½	56
Marks & S	360	16½	23½	31½	11½	17	20
(*382)	390	4	11	18	30½	34½	37
NatWest	460	39½	52	58½	6	12½	19½
(*488)	500	15½	28	34	22	29½	36
Sainsbury	500	26	39½	47½	16	25½	30½
(*505)	550	6	15½	25	49½	55½	59½
Shell Trans.	650	19½	35½	41	17	24	34
(*659)	700	4	15½	20	53½	56½	66
Storehouse	220	14½	20½	25	7½	13	15½
(*224)	240	5½	11½	15½	19½	24½	27
Trafalgar	101	12½	-	-	4	-	-
(*109)	110	7	11½	14½	7	12½	14½
Unilever	1050	51½	71	86	20½	33½	47
(*1070)	1100	25½	45½	59	47	59	71½
Zeneca	650	58	70	77	11	18	30
(*697)	700	25½	41	49	32½	41½	54½
Option		**Oct**	**Feb**	**May**	**Oct**	**Feb**	**May**
Grand Met	420	44½	54	59	4½	14	17½
(*455)	460	17½	29	36	19	31½	35½
Ladbroke	200	16	23	25½	9½	16½	21½
(*206)	220	6	14	16½	22½	27½	33½
Utd Biscuits	360	30½	41½	44½	10½	19	27
(*379)	390	14	26½	29½	26½	35	43½
Option		**Oct**	**Dec**	**Mar**	**Oct**	**Dec**	**Mar**
Fisons	160	25	28	32	3	7	11
(*179)	180	11½	15	20	10½	16	20½

Option		CALLS Nov	Feb	May	PUTS Nov	Feb	May
Brit Aero	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(*437)	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Inds	475	25½	38	-	17	28	[illegible]
(*478)	500	14½	30½	[illegible]	[illegible]	[illegible]	[illegible]
BTR	390	18	28½	[illegible]	[illegible]	[illegible]	[illegible]
(*398)	420	6	14½	17½	33½	35½	40½
Brit Telecom	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(*422)	460	6	16½	17	40	45½	47½
Cadbury Sch	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(*461)	500	14½	25½	28½	33½	[illegible]	[illegible]
Eastern Elec	500	40½	48	54½	6	16	17½
(*525)	550	13½	27½	[illegible]	[illegible]	[illegible]	[illegible]
Guinness	500	30	42	[illegible]	[illegible]	[illegible]	[illegible]
(*511)	550	6½	19	26½	40½	44	62½
GEC	330	20	26	40½	5	10½	12½
(*346)	360	12	18	[illegible]	[illegible]	[illegible]	[illegible]
Hanson	260	20½	24½	[illegible]	[illegible]	9	11½
(*256)	280	9½	14	16	14	18½	20½
Lasmo	140	14	20	22½	10½	12½	16½
(*142)	160	7	12	16	24	25½	28
Lucas Inds	140	16½	23	25	6½	9	11½
(*152)	160	7	12	14½	17	26½	22½
P & O	650	30	46½	54½	32	46½	56½
(*668)	700	12	26	33½	65½	74½	87
Pilkington	140	18	22	24½	4	8	10½
(*153)	160	7	11½	14	13½	18	21
Prudential	330	16	27	29½	12½	16½	22
(*336)	360	6	13½	16	32½	35	40½
RTZ	700	34	52½	59½	25	31½	38
(*701)	750	13½	28½	37½	58½	61	67
Redland	550	29	42½	50½	30	27	61
(*551)	600	11	23	30½	63½	66	69
Royal Insce	317	17	26	-	16	19½	-
(*318)	346	7	13½	-	36½	37½	-
Scot & New	460	25½	-	-	16½	-	-
(*484)	500	9	-	-	42	-	-
Tesco	220	16	24	27½	10½	16	19
(*227)	240	7½	14½	17½	22	27½	30½
Vodafone	550	42	54	64	21½	37	36½
(*582)	600	18½	30½	41	51	56½	64
Williams	330	22½	31	35½	12½	17½	24
(*341)	360	6½	17	21½	31	35	40½
Option		**Nov**	**Jan**	**Apr**	**Nov**	**Jan**	**Apr**
BAA	750	61	65½	80½	12½	19½	24½
(*787)	800	39	37	51½	32½	42	47
Thames Wtr	500	18	23	31½	26	29	32½
(*541)	550	18	23	31½	38	29	32½
Option		**Sep**	**Dec**	**Mar**	**Sep**	**Dec**	**Mar**
Abbey Natl	380	14½	28	38½	6½	14½	22½
(*387)	420	2½	14½	22	35	31½	38½
Amstrad	30	5	6½	7½	1	2	2½
(*34)	35	1½	3½	5	2½	4	5
Barclays	500	16	35	46	9	21½	29½
(*504)	550	2	14	22½	47½	52½	58½
Blue Circle	260	15½	24	31	4½	15	19½
(*269)	280	5	14½	21½	32	41	44
British Gas	330	8	16	23½	5	15½	18½
(*332)	360	1	6½	11	28½	35½	38
Dixons	220	16	27	33½	4	11½	18½
(*229)	240	6	17	23½	14½	21½	26½

Option		CALLS Sep	Dec	Mar	PUTS Sep	Dec	Mar
[illegible]	420	41½	49½	-	8	22½	-
(*[illegible])	460	16½	42½	-	28½	42½	-
[illegible]	360	27	35	-	8	32	-
(*377)	390	11	20½	-	28	50	-
[illegible]	160	13½	20½	25	2½	8½	12
(*[illegible])	180	2	10½	15	13	20½	29½
[illegible]	130	11	16½	22	2½	7	10½
(*[illegible])	140	4½	12	17	8	12	18½
[illegible]	700	28½	57½	-	15	36½	-
(*714)	750	9½	33	-	49	65½	-
Nat Power	330	28½	38½	42½	1	5½	9½
(*357)	360	7	20½	28½	6½	16½	21½
Reuters	1450	69½	116	-	14	46	-
(*1497)	1500	39	87½	-	35	71	-
Rolls-Royce	140	21	26	-	1	6	-
(*159)	160	6½	14	-	6½	15	-
Scot Power	330	34	33½	37½	1	5½	9
(*357)	360	8	20½	-	6	12½	-
Sears	110	6½	10½	13	2	6½	8½
(*113)	120	2	5	8	7½	11½	12½
Forte	220	14	22	28	3½	11½	15½
(*229)	240	3½	12	18	14	23	26½
Tarmac	140	12	16½	23	8½	11	14
(*148)	160	3	8½	14	14	23½	25½
Thorn EMI	950	41½	71	84½	4½	23	34½
(*980)	1000	72	42	58½	38	46	58½
TSB	200	7	16	20½	5	11	15½
(*201)	220	1½	7½	11½	20	23½	27½
Tomkins	220	16	25	28½	2½	8½	12
(*231)	240	4	13½	18	12½	18	22
Vaal Reefs	70	10	16½	-	3½	8½	-
(*575)	80	4½	12½	-	8½	15	-
Wellcome	700	54½	76	89	8	29	38½
(*746)	750	21½	50	59½	24½	53	64

EURO FT-SE INDEX (*3049)

	2875	2925	2975	3025	3075	3125	3175	3225
CALLS								
Sep	184	136	91½	53	26½	10	5	1
Oct	192	146	110	76½	51	29½	15½	8
Nov	206	166	130	99	72½	51½	35½	23½
Dec	-	190	-	121	-	68	-	32½
Mar †	-	236	-	162	-	109	-	70
PUTS								
Sep	3	6½	11½	22½	44½	78½	121	169
Oct	10	15½	24½	40½	61½	91½	127	169
Nov	13½	22½	36	54	77	105	138	178
Dec	-	40	-	69	-	114	-	176
Mar †	-	65	-	97	-	141	-	198

FT-SE INDEX (*3046)

	2900	2950	3000	3050	3100	3150	3200	3250
CALLS								
Sep	161	115	72	40½	17½	6	2	1
Oct	173	132	94½	62½	40½	23½	11½	6
Nov	191	153	118	88	63½	42½	27	17
Dec †	208	171	137	106	80½	57½	41½	27
Jun †	271	-	208	-	155	-	109	-
PUTS								
Sep	4½	8	17	35	64½	104	154	204
Oct	12½	20½	32½	52	78½	112	154	204
Nov	24	35½	50½	70	96	127	163	206
Dec †	35	46½	62½	81½	106	135	170	209
Jun †	79½	-	114	-	159	-	214	-

August 24 Total Contracts 21,931
Calls 11,678 Puts 10,253
FT-SE Index Calls 3,258 Puts 3,407
Euro FT-SE Calls 985 Puts 1,370
*Underlying security price. †Long dated expiry months.
Premiums shown are based on closing offer prices.

FT-ACTUARIES FIXED INTEREST INDICES

PRICE INDICES

		Tue Aug 24	Day's change %	Mon Aug 23	Accrued interest	xd adj. 1993 to date
	British Government					
1	Up to 5 years (25)	128.57	+0.08	128.98	1.41	7.91
2	5-15 years (23)	154.49	-0.12	154.82	1.48	9.24
3	Over 15 years (9)	173.00	-0.32	173.55	1.06	8.55
4	Irredeemables (6)	203.74	-0.26	204.26	3.41	7.36
5	All stocks (63)	158.14	-0.10	158.54	1.39	8.75
	Index-Linked					
6	Up to 5 years (2)	186.17	+0.03	186.11	0.39	3.41
7	Over 5 years (11)	180.18	-0.13	180.42	0.71	3.42
8	All stocks (13)	179.92	-0.12	180.13	0.67	3.41
9	Debs & Loans (66)	142.44	-0.14	142.63	1.86	7.62

	AVERAGE GROSS REDEMPTION YIELDS		Tue Aug 24	Mon Aug 23	Year ago (approx.)
	British Government				
1	Low	5 years	6.42	6.46	9.03
2	Coupons	15 years	7.28	7.17	9.04
3	(0%-7¾%)	20 years	7.32	7.28	9.04
4	Medium	5 years	6.54	6.56	9.80
5	Coupons	15 years	7.36	7.31	9.27
6	(8%-10¾%)	20 years	7.42	7.38	9.12
7	High	5 years	6.75	6.75	10.02
8	Coupons	15 years	7.58	7.54	9.49
9	(11%-)	20 years	7.60	7.58	9.35
10	Irredeemables (Flat Yield)		7.47	7.44	9.34
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	2.82	2.82	4.46
12	Inflation rate 5%	Over 5 yrs.	3.31	3.29	[illegible]
13	Inflation rate 10%	Up to 5 yrs.	1.81	1.61	[illegible]
14	Inflation rate 10%	Over 5 yrs.	3.12	3.11	[illegible]
15	Debs &	5 years	7.84	7.82	[illegible]
16	Loans	15 years	8.29	8.16	[illegible]
17		25 years	8.32	8.31	[illegible]

Chairman moves to allay fears over FDA warning to US offshoot

Medeva's £13m meets forecasts

By Richard Gourlay

MR BERNARD Taylor, chairman of Medeva, the pharmaceuticals company which saw its share price halve after a profits warning a month ago, yesterday sought to convince investors that its problems had been contained.

However, Mr Taylor was unable to say when or if the US Food and Drug Administration would declare that Medeva's MD Pharmaceuticals subsidiary in California had adequately dealt with manufacturing shortcomings.

The FDA's warning letter to Medeva, more than the news of inflated sales at another Californian subsidiary, IMS, caused shareholders to sell their holdings.

Announcing pre-tax profits of £13m (£14.1m) for the half year to June 30 – in line with the amended forecasts – Mr Taylor said Medeva was unlikely to get a clear statement from the FDA.

"The work we have done (at MD) is as much as we could humanly have done," he said. He said the FDA never gave a "stamp of approval" after checking whether a company had rectified shortcomings in manufacturing practice.

"At a point in time they will advise us or government purchasers that MD is now cleared for new contracts," he said. In Medeva's last full year MD contributed nearly 40 per cent of group profits.

Medeva's first half profits came on sales of £80.1m, up 39 per cent. Earnings fell 18 per cent to 3.76p but the interim dividend is lifted 20 per cent to 0.9p.

The company said it was still comfortable with a revised full year profits forecast of between £42m and £47m.

Analysts said Medeva's presentation yesterday appeared to allay some of their fears. A number said, however, that the share price could take some time to recover. It would not come before confidence was restored in management's ability to deliver the forecast full-year profit. The shadow of the FDA would also be likely to hang over the share price.

Other analysts said Medeva had been oversold.

Mr Taylor confirmed that his chairman and chief executive roles would be split. Mr Ian Gowrie-Smith, the founder and managing director who has never had a line management function, would continue to lead the team executing Medeva's acquisitions.

"There will have to be a different ratio of major to minor acquisitions," Mr Taylor said. Large purchases would not be possible with the share price at its current level but the group would still make bolt-on and product portfolio acquisitions.

See Lex

Mersey Docks improves to £8.9m

By Ian Hamilton Fazey, Northern Correspondent

THE MERSEY Docks and Harbour Company reported pre-tax profits of £8.86m for the first six months of 1993, an increase of 16 per cent on the previous £7.63m.

Turnover rose to £44.8m (£42m) despite only a 5 per cent increase in cargoes to 13.6m tonnes.

The interim dividend goes up to 2.85p (2.5p), payable from earnings per share of 9.53p (8.12p).

The outcome marks a decade of continuous improvement for the company. The government, which five years ago wrote off more than £100m of debts, is still the biggest shareholder with a 20 per cent stake.

The company, which last week announced it was in negotiations to buy the Medway ports in south-east England, said yesterday it plans a £10m floating stage in the Mersey at Birkenhead.

This would serve the Irish Sea roll on-roll off freight routes, saving ships more than one hour per trip through not having to pass through locks into the Liverpool dock system.

In overall markets, grain and animal feedstuffs showed the biggest cargo increases, rising 25 per cent.

Bulk liquids were up a similar amount and scrap metal rose 17 per cent. Containers put on 5 per cent in spite of a difficult international trading climate, particularly on North Atlantic routes.

Mr Trevor Furlong, chief executive, refused to elaborate on the Medway negotiations because both sides had signed a confidentiality agreement. However, he stressed the south-east ports would be "totally complementary" to Liverpool.

The Medway Ports were privatised last year via a £29.7m management and employee buy-out.

Mr Furlong refused to confirm reports he was negotiating at about £75m, a price which might politically embarrass Mersey Docks' largest shareholder.

GRE to launch direct insurance operation

By Richard Lapper

GUARDIAN ROYAL Exchange, the composite insurance group, is to launch a new subsidiary to sell motor and home insurance direct to the public, underlining the growing popularity of direct telesales operations in the UK market.

Mr Ray Pierce, a management consultant and former chief executive of Robson Rhodes, the accountants, is to head the new company, which will begin underwriting before the end of the year.

GRE will also continue to sell personal lines policies through brokers, but Mr John Sinclair, head of the UK operations, said: "We recognise there is a growing customer requirement for direct marketing of insurance."

GRE, which said it had made the decision following "an extensive study of the trends in the UK, US and European personal insurance markets", is following the example of Direct Line, a subsidiary of the Royal Bank of Scotland, which pioneered telesales of motor insurance in 1985 and has recently reported impressive profits.

Other direct writers include Churchill, a subsidiary of Switzerland's Winterthur. Among the six biggest composite companies, Royal Insurance has the biggest direct writer, The Insurance Service, while two other companies – General Accident and Eagle Star – have also established separate direct writing subsidiaries.

Analysts criticised GRE's delay in responding to the trend, especially in view of the company's experience in Ireland where its PMPA subsidiary is a leading direct insurer.

"Everyone is talking about direct writing as if it is something that has miraculously emerged in the last 12 months," said Mr Steven Bird, an analyst with Smith New Court. He expects direct writers to win a growing share of the home and motor insurance market.

Mr Bird drew attention to the cost advantages enjoyed by the bigger direct writers. For example, Direct Line has an expense ratio (expenses as a percentage of premiums) of less than 15 per cent compared to an industry average of between 25 and 30 per cent.

GRE has not yet decided either the name of the new subsidiary or where it will be based, postponing either decision until Mr Pierce assumes his position next month.

As head of Robson Rhodes, Mr Pierce was the first non-accountant to head a leading accounting firm. Now 47, he was previously chief executive of the Mortgage Corporation, where he launched Mortgage Corporation Direct. He has also been a vice-president of American Express Europe.

BT gains veto powers over MCI activities

By Andrew Adonis

BRITISH Telecommunications has succeeded in gaining wide-ranging veto powers over MCI's business activities as part of its deal to buy a 20 per cent stake in the US long-distance telecommunications operator.

Details released yesterday on the terms of the $4.3bn (£2.88bn) deal, agreed in principle in June, give BT a veto on any purchase by MCI of a business worth more than 20 per cent of its market capitalisation, and on any purchase of a non-core business worth more than 5 per cent.

BT has also secured the right to veto the sale of any MCI assets worth more than 15 per cent of its market value.

Although such restrictions are not uncommon in the US, they reflect BT's concern at the vulnerability of its investment should MCI wish to change its strategy, which hitherto has centred on building itself up as a powerful long-distance and overseas competitor to AT&T in the telecommunications business.

Wates declines to £860,000

By Peter Pearse

WATES CITY of London Properties, all of whose properties but one fall within the core of the City, suffered a sharp decline in profits in the six months to June 30 and passed its interim dividend.

Pre-tax profits fell to £860,000 compared with £3.74m, in large part because net rental income was £1.8m lower at £6.12m. Mr John Nettleton, finance director, explained this was primarily a result of the sale at the end of 1992 of 1-6 Milk Street for £9.35m and 20 Cannon Street for £14.2m. These two investment properties, he said, were "over-rented and old [about 20 years]".

Some time ago Wates decided to concentrate on new developments in the form of joint ventures, Mr Nettleton said, and to this end, £22m of the proceeds was channelled into the joint ventures and not to pay off debt, which stood at £95m at the period-end.

This has since been reduced by £12m, almost all of the sale price for Bolsa House, Cheapside, which Wates sold to Tesco earlier this month for £12.7m, almost 30 per cent above the 1992 year-end valuation. Mr Nettleton said this had excited analysts seeking the seeds of the next property boom. He said that Wates had been weathering the storm for three years now and that he felt some confidence was seeping back into the property market.

Administrative expenses fell to £1.02m (£1.37m) and management fees received swelled to £831,000 (£175,000). Interest payable rose to £4.66m, though last time's £3.25m had £1.2m of capitalised interest stripped out.

Earnings declined to 0.44p (1.95p) per share, and Mr Nettleton said the dividend was omitted (0.77p), because of a deficit of about £20m in the revenue reserve.

Bruntcliffe buys Tarmac quarries

By David Blackwell

BRUNTCLIFFE Aggregates is to buy Northern Scottish Quarries from Tarmac for £12.5m in its first deal since a trio of industry executives brought it to the market in the spring.

The company will fund the purchase with bank debt and a placing of 28.8m shares at 35p apiece, raising £9.1m net of expenses. About 69 per cent of the shares will be subject to a shareholder claw-back on the basis of 23 shares for every 20 held. Bruntcliffe's shares were suspended yesterday at 36p pending completion of the deal.

Mr Mike Wallis, chief executive, who used to work for both Tarmac and Evered, said that Northern Scottish was the sort of company he was looking for when Bruntcliffe was launched.

Tarmac said it was selling the business as part of its divestment programme launched in early-1992 to refocus on its core construction and building material activities. It has now sold 15 companies and raised £233m towards its target of £300m by the end of the year.

Northern Scottish Quarries, which employs 180 people, had a 1992 turnover of £11.9m and operating profits of £1.5m.

Subject to shareholders' approval of the deal, Bruntcliffe will pay £3m to Tarmac on completion on September 30, and £7m by the end of the year. The final £2.5m will be paid by December 31 1996.

Bruntcliffe owns sand and gravel quarries in Warwickshire and Pennsylvania, where it also has a coal reprocessing operation. Mr Wallis said turnover of the present company was between £3m and £4m.

Standard Chartered legal action re-started

By John Gapper

STANDARD CHARTERED, the UK-based international banking group, yesterday disclosed that a legal action against it by a Malaysian businessman had been re-started in the high court in Singapore after it was dismissed by Malaysian courts.

Standard said the proceedings against it had been re-started by Monsia Investments, which is controlled by Mr Yap Yong Seong. The £98m claim relates to assets sold by the bank after Mr Yap's company allegedly defaulted on a loan.

Standard said the claim, was "without merit and wholly misconceived". It said that it would "vigorously and confidently" defend the action on the basis of its legal advice.

Standard said it was continuing to press its own claims in the Malaysian courts to recover from Mr Yap and his associated companies sums that it was due.

Hungary helps lift Navan

Navan Resources, the Dublin-based mining company, achieved pre-tax profits of I£297,000 (£280,000) in the half year to June 30.

The advance, from I£15,000 for nine months, was on turnover of I£3.1m (I£1.6m) resulting from the six month contribution from the Hungarian industrial mineral operations acquired on October 1. The directors hope to acquire an additional mining operation in Hungary, bringing the number there to five operating mines.

DIVIDENDS ANNOUNCED

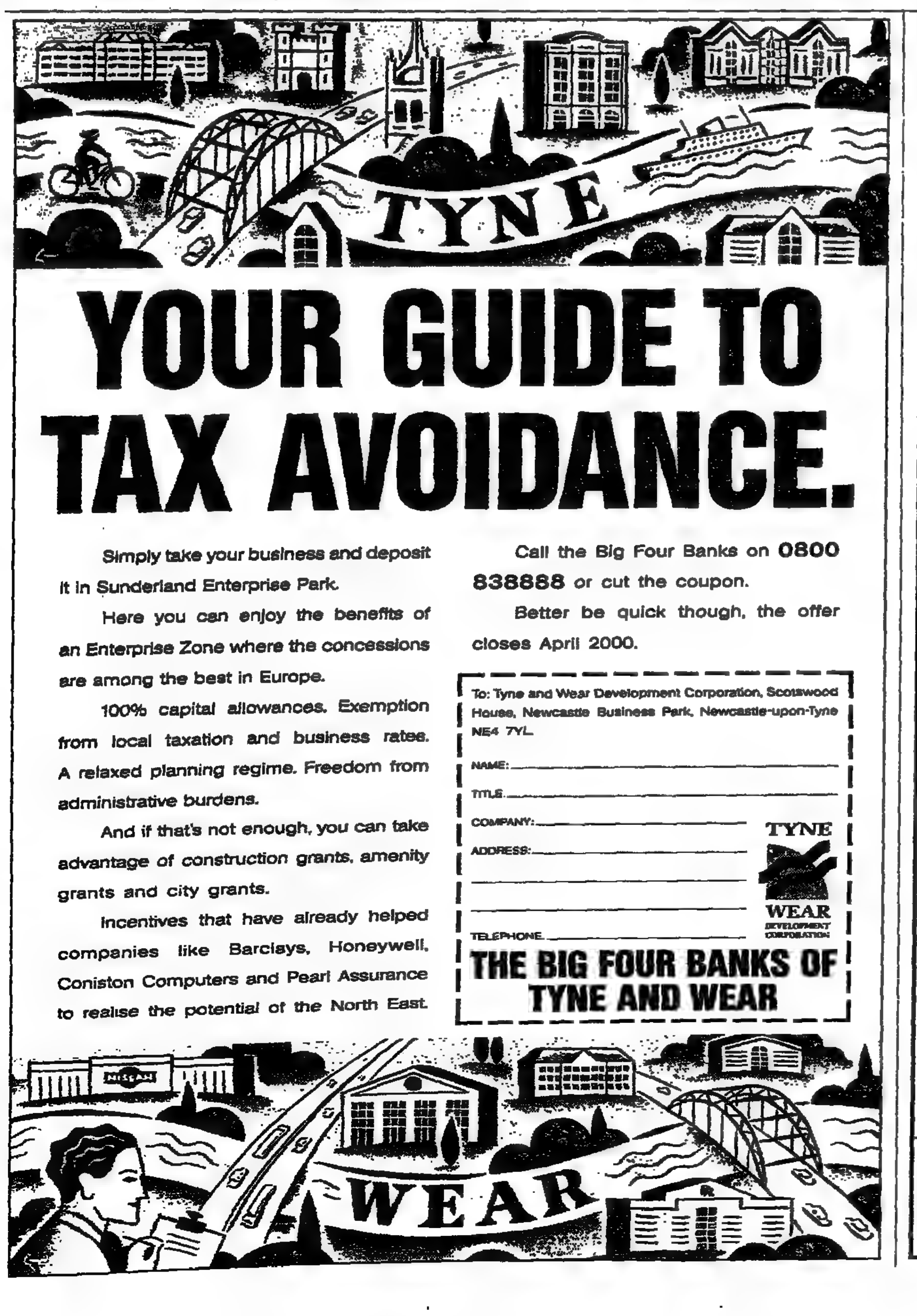
	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Bournemouth Watr ....int	29	Oct 14	nil	-	86
Bridon ....int	1.25	Jan 7	1.25	-	4
Graseby ....int	3.3	Nov 2	3.3	★	10.9
Invesco ....int	1	Oct 22	1	-	3
Kerry ....int	0.91‡	Nov 19	0.79	-	2.28
Medeva ....int	0.9†	Nov 19	0.75	-	2.25
Mersey Docks ....int	2.85	Nov 5	2.5	-	7.5
River/Merc Small ....fin	2.75	Oct 27	2.65	4	3.9
Scottish Eastern ....int	0.52	Oct 12	0.5	-	1.52
Wace ....int	1	Oct 13	2.25	-	2.25
Wates City Lon ....int	nil	-	0.77	-	0.77
West Hants Water ....int	16	Oct 14	nil	-	38

Dividends shown pence per share net except where otherwise stated. †On increased capital. ‡Irish pence. ★Final dividend of 3.3p (7.6p) forecast.

Correction

Holmes Protection and Faisal Finance

The investor who failed to honour an agreement to buy 1m shares in a Holmes Protection placing was not Faisal Finance (Switzerland) as suggested in yesterday's edition. Holmes and Faisal, a Holmes shareholder, said yesterday that their relationship was harmonious. We apologise for the error.



LEGAL NOTICES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:
OLYMPIA & YORK WATER STREET FINANCE CORP., and
O & Y WATER STREET CREDIT CORP.,
Debtors.

Case No.
93 B 42409 (JLC)
(Jointly Administered)
(Chapter 11)

NOTICE OF (i) ADJOURNMENT OF HEARING TO CONSIDER CONFIRMATION OF JOINT PLAN, TO SEPTEMBER 14, 1993, (ii) COMMITTEE'S ELECTION TO CAUSE TITLE TO BUILDING LOCATED AT 55 WATER STREET, NEW YORK, NEW YORK, TO BE TRANSFERRED BY MEANS OF DEED IN LIEU OF FORECLOSURE, AND (iii) PROPOSED PRESENTMENT OF EVIDENCE OF ADEQUACY OF CONSIDERATION FOR SUCH TRANSFER

PLEASE TAKE NOTICE THAT [illegible]

PLEASE TAKE FURTHER NOTICE THAT [illegible]

PLEASE TAKE FURTHER NOTICE THAT [illegible]

PLEASE TAKE FURTHER NOTICE THAT [illegible]

PLEASE TAKE FURTHER NOTICE THAT [illegible]

PLEASE TAKE FURTHER NOTICE THAT [illegible]

(1) WEIL, GOTSHAL & MANGES
Attorneys for the Debtors in Possession
767 Fifth Avenue
New York, New York 10153
Attn: Corinne Ball, Esq.

(2) ANDERSON KILL OLICK & OSHINSKY, P.C.
Attorneys for the Official Creditors' Committee
666 Third Avenue
New York, New York 10017
Attn: Duncan N. Darrow, Esq.

(3) MARCUS MONTGOMERY WOLFSON & BURTEN
Attorneys for the Indenture Trustee
53 Wall Street
New York, New York 10005
Attn: Peter Wolfson, Esq.

(4) OFFICE OF THE UNITED STATES TRUSTEE
80 Broad Street, 3rd Floor
New York, New York 10004
Attn: Arthur Gonzalez, Esq.

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, SUCH OBJECTION WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

Dated: New York, New York
August 20, 1993

BY ORDER OF THE COURT
S/ Tina L. Brozman
United States Bankruptcy Judge

ANDERSON KILL OLICK & OSHINSKY, P.C.
Attorneys for the Official Committee of Creditors
666 Third Avenue
New York, New York 10017

SAINT DOMINIQUE CORPORATE FINANCE LIMITED

Company Number 2487461.
Registered in England and Wales

As part of a reorganisation of the Credit National Group the above company has been placed into a solvent liquidation process. Notice is hereby given that the creditors of the above company are required on or before 25 September 1993, to send their names and addresses, and the particulars of their debts or claims and the names and addresses of their solicitors or legal representatives, to A Wilkinson and M Hyde of Clifford Chance, 200 Aldersgate Street, London EC1A 4JJ, England, the Liquidator of the above company.

If so required by notice in writing from the Liquidators such creditors, either personally or by their solicitors or legal representatives, shall attend at such time or place as shall be specified in the Liquidators notice to prove their debts and claims and in default thereof they will be excluded from the benefit of any distribution made before such debt is approved.

This notice is purely formal and all creditors of the above company will be or have been paid.

A Wilkinson M Hyde
Liquidators
[illegible]

COMPANY NOTICES

LEEDS PERMANENT BUILDING SOCIETY
£250,000,000
Floating Rate Notes Due 1997

In accordance with the terms and conditions of the Notes, the interest rate for the period 24th August 1993 to 24th November, 1993 has been fixed at 5.975% per annum. The interest payable on 24th November 1993 against Coupon 15 will be £150.60 per £10,000 nominal and £1,506.03 per £100,000 nominal.

Agent Bank and
Principal Paying Agent
ROYAL BANK OF CANADA

NOTICE TO HOLDERS OF

Trans-Western Exploration Finance N.V.
8.75%
Convertible Subordinated Guaranteed Notes
Due April 1, 1996 and
9.00%
Convertible Subordinated Guaranteed Debentures
Due March 1, 1997

NOTICE IS HEREBY GIVEN to the holders of the above referenced Notes and Debentures issued by Trans-Western Exploration Finance N.V. guaranteed by Trans-Western Exploration, Inc. that the Trustee has received $48,864.20 as a final distribution for Class 8 claims under the joint plan of reorganization of Trans-Western Exploration, Inc. and Trans-Western Production, Inc. in their bankruptcy proceeding in United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case Nos. 385-31045-F-11 and 385-32306-F-11. The full amount of such distribution has been applied by the Trustee to pay its outstanding fees and expenses, including reasonable attorney's fees and expenses, in connection with the notes and debentures which exceed the amount of such distribution. The indentures for both the notes and the debentures provide that any monies collected by the Trustees shall first be applied to pay all fees and expenses owed to the Trustee under the Indentures prior to the payment of any amounts to the holders and that the Trustee has a lien on such funds prior to the holders to secure payments of amounts owed to it. Accordingly, no funds are available from such distribution to make any payments to the holders of the notes or the debentures.

NationsBank of Texas, N.A.
Trustee
(successor Trustee to
First National Bank in Dallas)
Publication Date: August 18, 1993

COMPANY NEWS: UK

Graseby to cut pay-out to ensure expansion

By Richard Gourlay

GRASEBY, the electronics group, is to cut its final dividend to retain more funds for expansion.

The group, which yesterday announced pre-tax profits up 18 per cent to £4.87m in the six months to June 30, will maintain an interim payment of 3.3p.

But at the full year it will pay only another 3.3p, making 6.6p for the year, a substantial fall on last year's total of 10.7p.

Mr Paul Lester, chief executive, said he felt it was right to maintain the dividend while the group had been restructuring following its acquisition of Tace and Goring Kerr two years ago and the sale of most of Cambridge Electronics' businesses from which Graseby evolved.

The board now felt it was appropriate to retain more of the cash within the company to fund growth. The shares fell 6p to close at 179p on news of the dividend cut.

The company's scope for investment in its businesses has been hampered by a high level of debt and the cash drain from its dividend payments.

Paul Lester: retaining cash

In March the group said it planned to strengthen the balance sheet by floating its US environmental business on Nasdaq, raising about $25m (£16.7m) but retaining control.

This would be floated once market sentiment in the US environmental sector had improved, possibly by the first quarter of next year.

Graseby's half year profits rise represented a 12 per cent increase in earnings from 5.1p to 5.7p. Sales grew 22 per cent to £55.1m.

Gearing rose from less than 100 per cent to 119 per cent at the end of the period on net debt of £26.7m as a result of payment of the £4.7m dividend bill.

● COMMENT

Setting a more conservative dividend policy was always on the cards once a decent interval had elapsed after the restructuring. By cutting the dividend payment and floating the US business, Graseby could within 12 months have repaid all its debt, finally allowing acquisitions that involve goodwill write-offs. The hitch is if Graseby is forced to delay flotation of its US businesses because the environmental sector remains in the doldrums – it has underperformed by 20 per cent in the past six months. But even without the float proceeds, profits are likely to be £10.5m for the full year, giving 11.7p of earnings and a market rating justified by the yield premium that still remains after the dividend cut.

Bridon jumps 57% despite costs

By David Blackwell

BRIDON, the Doncaster-based maker of ropes and other engineered products, lifted first-half pre-tax profits by 57 per cent, from £700,000 to £1.1m, in spite of a rise in restructuring costs from £500,000 to £1.2m.

The advance in operating profits, from £3.4m to £4m, in the six months to June 30, was described by Mr Brian Clayton, chairman, as a "useful improvement" and he predicted further advances as the benefits of the restructuring flowed through.

In the short term, however, he said "market conditions are expected to remain relatively unhelpful and continuing cost reduction remains the main driving force in our efforts to improve margins."

Bridon also announced yesterday that it had won two bridge contracts worth £2.5m for the second Severn crossing between England and Wales and a bridge in Sydney, Australia.

Mr Clayton said that contract work was now making an increasing contribution to turnover at the wire ropes division. The group is planning to invest £2m in the next 12 months in this sector.

UK exports also benefited from improved margins because of sterling's devaluation.

Wire ropes contributed £112.6m (£107m) to group turnover of £163.8m (£162.5m). Operating profits from wire ropes doubled to £2.6m. Operating profits from fibre products fell to £200,000 (£900,000); industrial textiles contributed £200,000 following a £100,000 loss previously; and engineering profits were £1m (£1.3m).

Earnings per share rose to 1.6p (1.3p) and the interim dividend is unchanged at 1.25p.

The restructuring costs – incurred within the wire ropes sector – included the closure of the fish ropery in Beverley, Humberside.

The full-year results will include further restructuring costs.

The group has shed almost 1,000 employees in the last two and a half years, leaving 4,453 at June 30.

Working capital fell from £73.7m to £59.9m through control on stocks and debtors.

Acquisition helps Sunleigh to £208,000

SUNLEIGH, the USM-quoted leisure products group, lifted pre-tax profits from £11,000 to £208,000 in the first half of 1993 despite substantial losses by PJO, its last remaining industrial business, which was sold in June for £25,000.

Operating profit from continuing operations rose from £77,000 to £487,000 on sales revenue ahead 39 per cent from £6.13m to £8.55m. Including Gavel – acquired in April 1992 – for a full six months in both periods the sales rise was £504,000 and operating profit advance £606,000.

Earnings worked through at 0.05p (0.1p losses).

Mr Robert Upsdell, chairman, said that the commitment to the organic development of the core businesses by investing in new products was "already justified by the encouraging results."

Monument Oil and Gas ahead to £5.7m

By Deborah Hargreaves

MONUMENT OIL and Gas, the UK exploration and production company, saw pre-tax profit more than double, from £2.1m to £5.66m, in the half year to June 30.

"We've been through an extremely tough period with the coal review. Oil prices are still weak, but we've been able to preserve our cash and expand overseas," said Mr Tony Craven-Walker, managing director.

The government's coal review had placed a question mark over the development of the Liverpool Bay oil and gas field – in which Monument is involved – since it had threatened to withhold approval for the Connah's Quay power station which is to burn the gas.

However, Mr Michael Heseltine, trade and industry secretary, approved Connah's Quay at the end of March and the Liverpool Bay project is to go ahead later this year. Mr Craven-Walker said Monument's share of the funding for the £2bn project was £270m, which the company was hoping to raise on a project finance basis.

Mr Craven-Walker warned the City that debt levels in the company would rise significantly as it embarked on the development of Liverpool Bay. He said the second half of this year was a "major milestone," for the company, with Liverpool Bay expected to generate substantial future cash flow.

Monument is beginning to expand overseas as opportunities in the North Sea dry up. It has targeted South America and south-east Asia for expansion. The company has drilled its first well in Argentina and is currently drilling two more: it will have the results in several weeks. Monument is also exploring in Bolivia.

He still sees some room for growth in the North Sea where Monument put in place £12m financing for the Johnston gas field and began development in June.

Earnings per share jumped to 0.8p (0.29p) but the company has decided not to pay a dividend because of the heavy financing costs to come in the second half.

Turnover fell to £17.2m (£20.8m). Production slipped to 7,900 barrels a day after the disposal of the Buchan field. But output is set to increase substantially when Liverpool Bay comes on stream in late 1995.

NEWS DIGEST

Bass poised for Indian expansion

BASS has signed a joint venture agreement with INN Realty Hotel Ventures of India to develop 70 franchised Holiday Inn hotels throughout India over the next 10 years, writes Philip Rawstorne.

The joint venture will focus on secondary cities, catering to a domestic market of an estimated 30m households.

Bass has only four Holiday Inn franchises in the subcontinent, at Bombay, Bangalore, Hyderabad and New Delhi.

It said yesterday that it had identified a growing demand for top-class hotel accommodation throughout the country.

Murray Intl

Net asset value per ordinary share and per B ordinary share at Murray International Trust increased from 248.6p to 311.8p over the 12 months to June 30.

Revenue after tax for the six months to end-June was £6.23m (£6.09m), equal to earnings per share – assuming full conversion of the B ordinary – of 5.15p (5.05p).

A final dividend of 3.5p has already been forecast which, coupled with interim instalments totalling 8.1p, makes a total of 11.6p. For the year to end-December 1994, the directors forecast an interim dividend of 8.1p.

River Merc Smaller

River & Mercantile Smaller Companies Trust saw its net asset value rise from 99.27p to 132.2p per share over the 12 months to July 31.

The 33 per cent advance matched the rise in the FT-SE SmallCap Index (Excluding Investment Trusts), and outperformed the FT-A All-Share Index, which rose some 27 per cent over the same period.

Attributable revenue improved to £1.02m (£924,000) for earnings of 4.07p (3.69p) per share. A recommended final dividend of 2.75p lifts the total for the year to 4p (3.9p).

Instant Zip Up

Instant Zip Up, a supplier of scaffolding and powered access platforms, has been acquired by its management from Upright of the US in a deal valued at £2.7m.

Equity funding was provided by 3i, the investment capital group. Management was advised by Arthur Andersen and debt facilities provided by TSB Commercial Finance and National Westminster.

Stanelco

Stanelco, the USM-traded thermal processing equipment manufacturer, saw pre-tax profits halve from £80,000 to £39,000 over the 12 months to February 28. Turnover improved from £839,000 to £1.43m.

The outcome was struck after charging £61,000 as costs of seeking acquisitions and holding company charges. Trading since the year end has been difficult, the company said.

Scottish Eastern

Net asset value per share, after deducting prior charges at par, of the Scottish Eastern Investment Trust stood at 86.6p at July 31. That compared with 79.2p at the January 31 year end and with 62.8p a year ago.

Pre-tax revenue for the half year fell from £7.7m to £6.8m, partly due, the company said, to increased investments in Japan. Net revenue emerged at £5.12m (£5.55m).

Despite the fall in earnings from 0.87p to 0.8p the interim dividend is raised to 0.52p (0.5p).

ANZ Bank
Australia and New Zealand Banking Group Limited
A.C.N. 005 357 522
(Incorporated with limited liability in the State of Victoria, Australia)
U.S. $125,000,000
Floating Rate Notes due 1996

Notice is hereby given that for the Interest Period 25th August, 1993 to 26th November, 1993 the Notes will carry a Rate of Interest of 3.625 per cent. per annum with an Amount of Interest of U.S. $93.65 per U.S. $10,000 Note and U.S. $936.46 per U.S. $100,000 Note. The relevant Interest Payment Date will be 26th November, 1993

Bankers Trust Company, London — Agent Bank

State Bank of South Australia
U.S.$63,000,000
Undated Floating Rate Primary Capital Notes
and
U.S.$25,000,000
Undated Floating Rate Primary Capital Notes
Guaranteed by the Treasurer of the State of South Australia

NOTICE is hereby given that the Notes will be redeemed at their principal amount on 29th September, 1993 in accordance with Condition 5(c) of the Notes.

John G. Harvey
General Manager, Global Treasury
State Bank of South Australia
25th August, 1993

ABN·AMRO

ABN AMRO BANK N.V.

US Dollars 150,000,000
Subordinated Floating Rate Notes
1992 due 2002

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period from August 24, 1993 to February 24, 1994 the Rate of Interest has been fixed at 51/4 per cent. and that the interest payable on the relevant Interest Payment Date, February 24, 1994 against Coupon No. 3 in respect of US$ 5,000 nominal of the Notes will be US$ 134.167 and in respect of US$ 100,000 nominal of the Notes will be US$ 2,683.333.

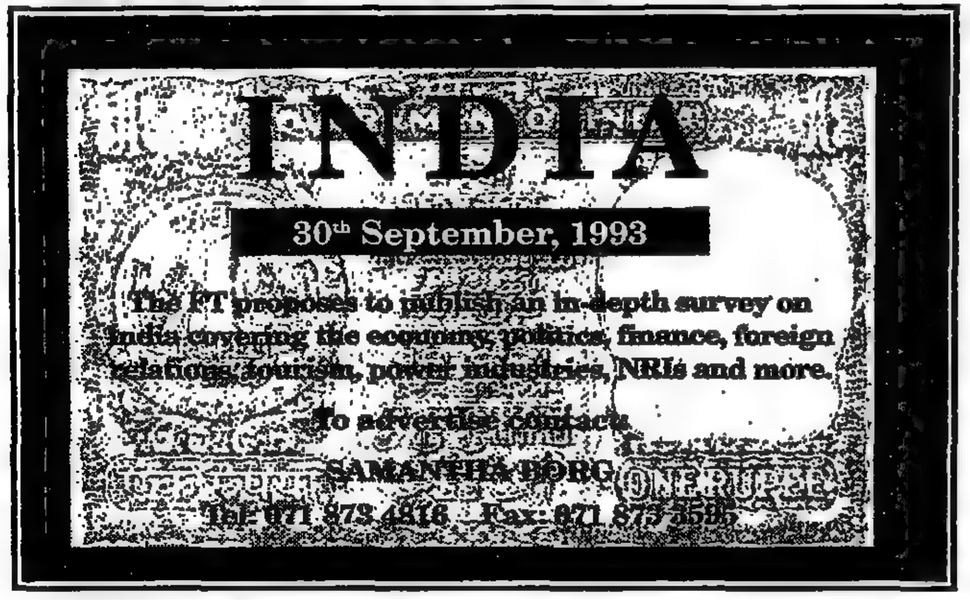
ABN AMRO BANK N.V.

MBE Finance N.V.
US $50,000,000
Guaranteed Dual Basis Bonds due 2002
CORRECTION NOTICE

In accordance with the provisions of the Notes, notice is hereby given as follows:

Interest period:	August 20, 1993 to February 22, 1994
Interest payment date:	February 22, 1994
Interest rate:	3.9375% per annum
Coupon amount per Note of US $500,000:	US $10,171.88

Agent Bank



Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

[illegible] period ending	Pool purchase price	Pool purchase price	Pool selling price
0030	18.24	20.59	[illegible]
0100	18.11	20.58	24.03
0130	18.11	20.59	24.00
0200	18.11	20.59	24.57
0230	18.11	20.58	24.32
0300	18.11	19.08	19.03
0330	18.11	19.09	[illegible]
0400	18.11	19.02	19.03
0430	18.11	[illegible]	19.03
0500	18.11	19.08	19.03
0530	18.11	[illegible]	38.39
0600	18.11	[illegible]	35.38
0630	18.11	19.85	24.15
0700	22.14	20.94	24.79
0730	23.78	23.88	28.02
0800	25.84	21.88	23.98
0830	28.15	24.38	[illegible]
0900	28.00	24.88	28.66
0930	34.46	25.08	28.55
1000	[illegible]	25.34	28.09
1030	34.32	25.34	28.08
1100	29.76	25.34	[illegible]
1130	[illegible]	31.86	35.09
1200	43.13	31.86	[illegible]
1230	42.70	31.88	35.70
1300	42.28	31.88	35.65
1330	27.77	28.08	[illegible]
1400	[illegible]	29.08	31.89
1430	28.66	28.08	31.89
1500	28.65	[illegible]	29.00
1530	28.60	25.33	28.97
1600	28.33	28.06	31.82
1630	34.91	28.06	31.89
1700	35.01	34.98	[illegible]
1730	34.88	34.98	39.02
1800	34.67	34.98	39.08
1830	28.47	28.95	32.83
1900	[illegible]	28.95	32.85
1930	26.10	24.29	28.01
2000	24.79	24.29	28.03
2030	31.60	23.85	27.82
2100	45.74	24.29	28.09
2130	45.74	38.00	40.13
2200	46.73	38.00	40.10
2230	23.78	38.00	40.16
2300	23.78	[illegible]	36.97
2330	23.78	22.12	[illegible]
2400	18.54	20.50	24.39

[illegible]

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COMPANY NEWS: UK AND IRELAND

Cost reductions and favourable exchange rates boost outcome

Wace doubles to £7m midway

By Roland Rudd

A REDUCTION in costs helped the restructured Wace Group, the pre-press and specialist printing company headed by Mr Frans ten Bos, to more than double pre-tax profits from £3.3m to £7m in the half year to the end of June 1993.

The result was also boosted by the fall in sterling against the dollar.

Excluding the movement in currency exchange rates, profit before tax and exceptional items rose by 23 per cent to £6.8m.

Severance pay accounted for the bulk of a £3.3m restructuring charge for which provisions were made at the end of last year.

Net borrowings fell to £84.3m (£88.7m) representing gearing of 175 per cent.

Mr Trevor Grice, chief executive, said he was confident of further reducing debt, but ruled out making any disposals or acquisitions in the short term.

The UK businesses increased trading profit to £6m (£4.3m) as the workforce was slimmed down by 102 people to 2,462.

Mr Grice said he had prevented "silly things such as businesses competing against each other to qualify for bonuses" and had reduced the number of print sites.

He warned that there was little sign of a UK economic recovery.

Profits from the US operation fell to £3.2m (£3.7m). Mr Grice, who took over as chief executive last November after the sudden departure of Mr John Clegg, persuaded the banks not to sell the US businesses.

In spite of a rationalisation, resulting in a 4 per cent reduction in the workforce to 1,868, two of the businesses, in Phoenix and Dallas, reported losses of $1.4m. Mr Grice said there was no sign of a pick up in the US economy.

Businesses in continental Europe, which Mr Grice described as having "slumped into recession", reported a small fall in profits to £2m (£2.2m).

Turnover increased to £165.4m (£156.5m). The interim dividend was cut to 1p (2.25p). Earnings per share of 4.1p compared with a restated loss of 0.2p.

Colin Beere

Frans ten Bos, chairman: no disposals or acquisitions planned in the short term

● COMMENT

Eliminating costs and refocusing the businesses, particularly in the UK, has produced a satisfactory result. So far, so good. The real test of Mr Grice's capability is still to come. If he can rejuvenate the US operations, which were once lined up for a fire sale, and grow the businesses across both sides of the Atlantic without the benefits of a restructuring, investors will have a lot more to thank him for. With forecast annual pre-tax profits of £15m, the shares – up 5p to 149p – are fairly priced on a prospective multiple of 16.

Bradford & Bingley leaps ahead 51% to £58.8m

By John Gapper, Banking Editor

BRADFORD & Bingley, the seventh largest building society, yesterday disclosed a 51 per cent rise in interim pre-tax profits to £58.8m, compared with £38.9m. The figures confirmed the society's recovery from a difficult 1992.

Interim results have shown societies achieving higher profits by increasing the spread between interest charged on mortgages and paid on retail savings products despite increases in provisions for bad and doubtful debts.

B&B's figures provided further evidence that societies are facing strong competition from banks and other centralised mortgage lenders, and have found it difficult to attract retail savings amid falling interest rates.

B&B raised provisions for bad and doubtful debts to £28.3m (£25.7m). However, it said that both cases of mortgage arrears and re-possession of houses from borrowers were down, and full year provisions would be "well below" 1992.

Operating profits before bad debt provisions rose by 35 per cent to £87.1m (£64.6m). There was a 4.8 per cent rise in mortgage assets to £10.6bn (£10.2bn) and total assets rose by 1.6 per cent to £13.3bn (£13.1bn).

Mr Geoffrey Lister, chief executive, said it was "reassuring" to see profits being maintained at similar levels to the second half of 1992. The profit improvement had been achieved despite difficult trading conditions.

The society's tier 1 ratio of core capital to assets rose slightly to 10.5 per cent. Its gross capital rose to 6.6 per cent of assets (5.8 per cent).

● Newcastle Building Society announced a rise in pre-tax profits from £5.98m to £6.4m in the half year to June 30.

● Leeds & Holbeck Building Society showed an increase in pre-tax profits to £2.88m (£2.79m). The society, which is the 17th largest with assets of £2.45bn (£2.29bn), raised provisions to £9.9m (£7.4m).

Riva falls £425,000 into the red

SHARES OF Riva Group, the USM-traded supplier of electronic point of sale systems, yesterday fell 6p to 27p on news of a swing from pre-tax profits of £314,000 to losses of £425,000 for the half year to June 30.

Turnover fell from £28.6m to £26.4m and operating profits from £972,000 to £164,000. Exceptional provision rose to £252,000 (£174,000).

Trading conditions remained difficult and operations in Europe were severely affected by recession. In January and February trading was poor and led to changes in European operations.

Staffing levels in France were substantially reduced, the unprofitable business in Germany was in the process of being sold and at the Spanish subsidiary, which incurred a deficit of £377,000 during the half year, urgent measures were being pursued to improve performance.

However, group trading from March to June had shown an improvement which, combined with further reductions in overheads, had brought a return to profitability on a month by month basis.

The directors anticipated some improvement in the second half but warned that the final outcome was dependent on the extent of the cost of remedial actions required in Spain.

Basic losses per share were 1.9p (earnings of 1p). A £21,000 dividend on the cumulative convertible preference shares is being passed.

Cash flow behind rise at Kerry

By Tim Coone in Dublin

KERRY GROUP, the west of Ireland-based meat, dairy and food ingredients company, achieved a 28 per cent increase in pre-tax profits to I£13.6m (£12.8m) for the six months to June 30.

Turnover was marginally higher at I£394.4m.

The profits increase was largely due to strong cash flow of I£29m and lower interest rates in the US, UK and Ireland, where Kerry has a geographically even spread of business.

One Dublin analyst said the result was "evidence of the strong cash flow the company can generate even without any major acquisitions. Currency movements have masked volume growth in the business, which has gone up by about 4 per cent.

"The second half result will probably be even better as interest rates drop further still and volume growth will be better reflected in the figures".

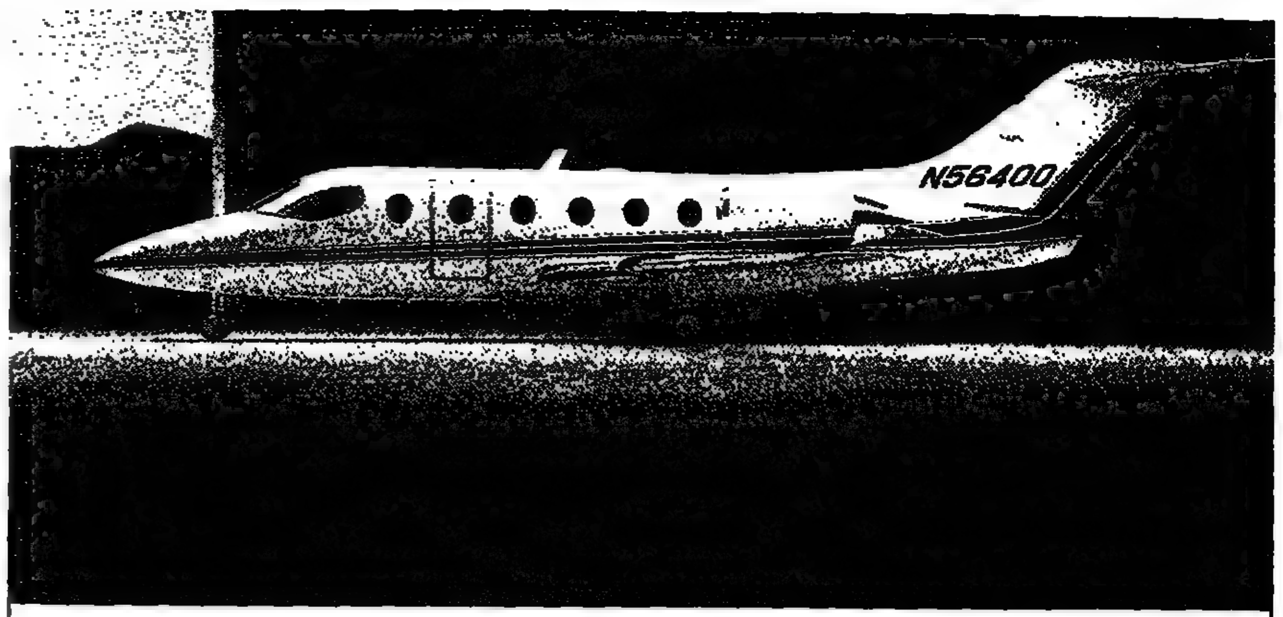
The group has expanded rapidly over the past five years through acquisitions, with turnover and pre-tax profits now running at three times 1987 levels.

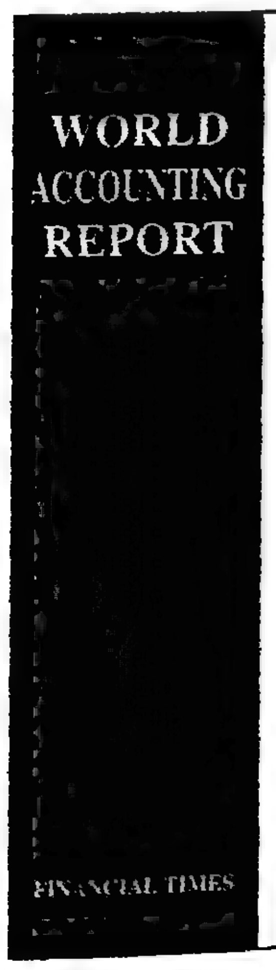
Acquisitions in the first half of this year have been relatively modest with new businesses added in Canada, the UK and Ireland.

However, the group said: "Our strategic plan for further expansion in the US is taking shape. We are looking at a number of opportunities and we hope to announce some acquisitions during the second half of the year".

The tax charge rose from I£950,000 to I£2.5m which the company said was due to the ending of a number of tax concessions enjoyed in the past, and the widening geographic spread of the business. "This will be a typical charge now going forward from here" the company said.

Earnings per share increased by 15.6 per cent to 7.03p. The interim dividend is lifted 15 per cent to 0.91p (0.79p).





Crop worries push cocoa prices to 22-month highs

By Alison Maitland

COCOA PRICES climbed to 22-month highs in London yesterday on growing expectations that world supply will fall *short of demand for the third* season in a row.

Reports suggesting a poor 1993-94 crop in Ivory Coast and Ghana, which produce about 30 per cent and 10 per cent of *world output respectively*, underpinned the buying mood.

The December futures contract pushed through resistance at £800 a tonne to reach a day's peak of £819, its highest *level since October 1991. It* eased slightly to close up £21 at £815. The next resistance point is expected to be around £832, which would take it to a level last reached in June 1990.

In New York, the December contract, which had risen by $24 on Monday, *was quoted at* $1,060 a tonne in late trading, up another $6.

"People are a bit worried about the crop development, particularly in west Africa," *said a London analyst.* "It looks very likely that there will be a deficit, it's just a question of how big. If the crops don't improve, it's going to be bigger than people expec*ted a couple of months ago.*"

Ms Judith Ganes, softs analyst with Merrill Lynch Capital Markets in New York, said she expected the market to go higher. "The fundamentals *have been much more clear cut* than for coffee in terms of the erosion of stocks and the potential for a third deficit," she said.

The International Cocoa *Organisation's buffer stock* stands at about 230,000 tonnes. *On Monday it sold 1,086 tonnes* at prices between $974 and $1,080 a tonne.

E.D. & F. Man, the London broker, has estimated the the current season's shortfall at *96,000 tonnes, based on produc*tion of 2.36m tonnes. Gill and Duffus, the trade house, has a similar estimate, after a 90,000 tonne shortfall in 1991-92.

However, GNI, the London *trade house, which earlier this* month put the production deficit at about 100,000 tonnes, suggested the shortfall in supply to world markets was actually about 244,000 because *Ivory Coast, the world's big*gest producer, had banned midcrop exports.

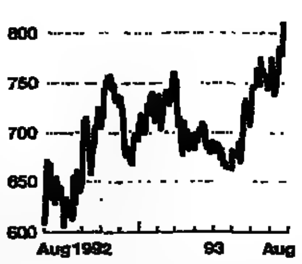
It forecast another big supply deficit next season of some 241,000 tonnes, and said this *continuing scenario, with fur*ther reductions in world stocks, could lead to a repeat of *the 1970s bull market.*

● Robusta coffee prices also had a buoyant day in London yesterday, supported by a strong performance by arabica futures in New York the previ*ous day. The Latin American* coffee retention scheme, which gained the backing of African producers last week, continued to underpin sentiment.

The November contract *ended up $22 at $1,242 a tonne*, after reaching a high of $1,258.

Cocoa

2nd Position Futures (£ per tonne)



Source: Datastream

India slackens reins on coffee trade

Liberalisation has improved growers' returns, writes **Kunal Bose**

THE PROCESS of liberalising the tightly controlled Indian coffee trade has started, with growers being allowed to sell 30 per cent of their production in the domestic market. But they are now demanding that be given the freedom to export coffee directly as well.

The federal government is well disposed to the idea of privatising coffee export, but the *growers' participation in the* trade will have to await amendments to the Indian Coffee Act of 1942.

Liberalising foreign trade in coffee will lead to further dilu*tion of the role of the Coffee* Board, which now controls exports through direct sales and auctions. To start with, the government will perhaps allow the growers to export certain grades of coffee subject to minimum price regulations.

Having realised better prices in the domestic market since the introduction of the internal sale quota last season, the growers are confident that they will do well in the export market too. The government, however, will push through the amendments to the Coffee Act only when a consensus on gradually privatising the export trade has been reached among the merchant exporters, local traders, growers and Coffee Board employees' unions.

The All India Pool Sale Coffee Dealers Association fears that the domestic market may be starved of the beverage if *free exports are allowed.* According to an association official: "Even under the ISQ, the domestic market is facing a shortage of supplies, thanks to the big planters holding back stocks." The trade thinks that there is a domestic market for 60,000 tonnes of coffee – the market might have been bigger had the Coffee Board given due attention to the promotion of the beverage – but the quantity provided under ISQ falls far short of that.

The trade has served notice that it will seek "legal redress" if it is denied "supplies in right quantity and grades". The growers have set their sights on export because export prices are higher than domestic prices. What, according to the trade, is forgotten, however, is that there will be a "serious problem" of disposal of the crop in years of high *production because of the lim*ited domestic market. The problem may arise this year as India is expecting a bumper crop of 225,380 tonnes – including 101,470 tonnes of arabica and 123,910 tonnes of robusta. Nearly 75 per cent of the area under coffee in Karnataka, Kerala and Tamil Nadu, the principal growing areas, has received good blossom-time showers followed by backing showers. Last year, India produced 161,500 tonnes of coffee and exported 113,078 tonnes, worth Rs3.79bn (£80m).

The pace of liberalisation of the coffee export trade will be slow till such time the government has come to a decision about the future of the Coffee Board and its nearly 4,000 employees. The growers, who believe that the Board has largely outlived its utility, are ready to provide funds for the *voluntary retirement scheme* for the Board employees.

There is a growing consensus that the Board should give up its marketing role in phases and concentrate on research and development, farm extension work and promotion.

Metals prices 'still have some way to fall'

By Kenneth Gooding, Mining Correspondent

BASE METALS prices still have some way to fall before they stage a cyclical recovery, according to S.G. Warburg Securities, the financial services group.

It is cautious because worldwide base metals stocks "look horrific". Only copper stocks are at present substantially lower than they were, com*pared with annual consump*tion, in the depths of the recession in the mid-1980s, points out Mr Euan Worthington, head of the mining team.

Warburg calculates that western world aluminium stocks are equivalent to 23.7 per cent of annual consumption compared with the peak level of 24.1 per cent; copper stocks represent 16.9 per cent of annual consumption (23.5 per cent at the previous peak); lead 15.3 per cent (13.6 per cent); nickel 32.8 per cent (32.3 per cent) and zinc 23.9 per cent *(13.8 per cent.)*

Mr Worthington suggests stocks will continue to grow because even next year metal production, together with imports from the Commonwealth of Independent States, will exceed western world demand.

Aluminium, copper, nickel and zinc prices could show further falls in the coming six months as market speculators unwind bullish positions, he suggests in the latest edition of Warburg's International Mining Outlook. "The copper price *looks particularly vulnerable* as the squeeze for September-October delivery is unwound.

"Investors in base metal shares should not be fooled, the current period still holds the potential for further downside in base metal prices and consequently pain for their producers."

Mr Worthington says prices have failed to recover as some expected, partly because world economic growth has remained out of synchronisation and partly because of a continuing high level of exports from the *CIS and because of the failure* of western metal producers to make adequate output cuts.

Venezuela seeks private capital to pull aluminium out of the red

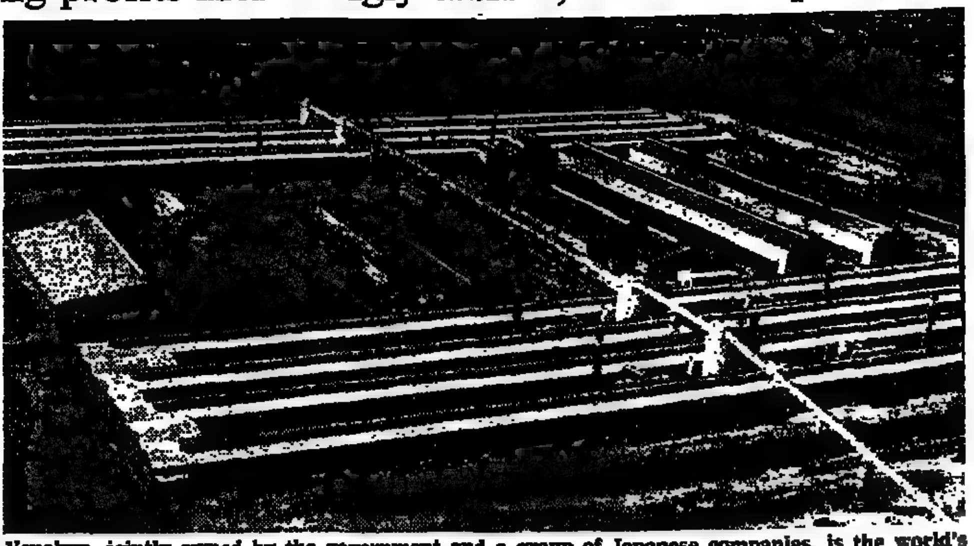
Although they are among the lowest-cost producers the country's smelters are finding profits increasingly elusive, writes **Joseph Mann**

THE VENEZUELAN government has announced *that it will carry out a* major reorganisation of the state-controlled aluminium sector, selling some assets outright and seeking new private investors for existing companies.

The assets to be sold include shares held in aluminium product manufacturers in Belgium, Central America, Puerto Rico and Venezuela.

Aluminium is Venezuela's second-largest source of export revenues, after petroleum. However, despite being among the world's lowest cost producers of primary aluminium, the *country's government-con*trolled aluminium smelters are generating embarrassing amounts of red ink. Last year the state aluminium sector lost a total of US$168m and losses this year are projected at about $218m. The sector also was in the red in 1991.

The state-controlled aluminium group is made up of Venalum (a smelter with the world's largest installed capacity, owned 80 per cent by the Venezuelan government and 20 per cent by a group of Japanese industrial companies); Alcasa (a smelter with two laminating plants, owned 92 per cent by the government and 8 per cent by Reynolds International); Interalumina (an alumina facility; 98.7 per cent government-owned and 1.3 per cent Alusuisse); plus a bauxite mine (Bauxiven) and an anode producer (Carbonorca), both wholly-owned by the state. Except for Alcasa *and Venalum, the other compa*nies are expected to earn profits this year.



Venalum, jointly owned by the government and a group of Japanese companies, is the world's largest smelter; but economies of scale have not prevented it from slipping into loss

Venalum has installed capacity for producing 430,000 tonnes a year of primary aluminium (1992 output was 375,214 tonnes), while Alcasa's capacity is 210,000 tonnes a year of primary metal and products (1992 output was 192,928 tonnes of primary aluminium and about 34,000 tonnes of products).

Mr Francisco Layrisse, minister of state and president of the Corporacion Venezolana de Guayana, the state holding company that controls Venezuela's largest steel, aluminium, mining and hydroelectric enterprises, says that the government is attacking the aluminium problem by seeking private investors to take over the biggest money loser, Alcasa; selling off some Alcasa assets; and merging three other companies.

The CVG also wants to find international investors for other parts of the industrial group, including iron ore, steel, *and gold mining.*

Alcasa, operating with only two of its four pot lines, is the sector's most serious problem. While urgently (perhaps the word should be desperately) seeking an international investor to take over the company, the CVG is trying to sell one of the company's two laminating plants outright and will sell Alcasa's shares in other aluminium companies in Venezuela and abroad. Alcasa is a partner with Reynolds in Aleurope, a laminating and extruding concern located in Belgium, and holds shares in Alunasa (Costa Rica) and Alruss (Puerto Rico). It also has several joint ventures in Venezuela with international companies, including General Motors, Reynolds, and BWA.

In addition, the CVG is merging all operations of Venalum, Interalumina and Bauxiven and creating a single management team. It hopes to save money by reducing executive personnel and integrating company strategies and operations.

The CVG has been looking *for private partners for Alcasa* for some time, but the gravity of the company's situation now has added a sense of urgency. In the past, the Venezuelan government has been able to cover losses at Alcasa. Now, however, the government is itself suffering from a large fiscal deficit and cannot afford to finance losses at Alcasa or other state companies.

Although the government has not said so, it may be forced to close down Alcasa entirely if heavy losses continue and a *white knight fails* to appear.

Like other world aluminium producers, Venezuela has been hit hard by declining international prices. In the case of Alcasa, for example, the smelter has older, less efficient pot lines (the first line was installed in the 1960s) and suffers from operating and financial problems. During a labour dispute earlier this month, workers walked off their jobs on one production line, forcing the company to close down the entire line until 1994 for major repairs.

Basically, Venezuela's two large smelters began to post strong losses after government export incentives were eliminated in 1989-90. They were never able to exploit fully their great advantage: low-cost electric power from the Guri hydroelectric complex located nearby.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, 1,565-1,610 (same).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 2.30-2.50 (same).

CADMIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 0.45-0.50.

COBALT: MB free market, 99.8 per cent, $ per lb, in warehouse, 11.90-12.50 (11.75-12.45); 99.3 per cent, $ per lb, in warehouse, 10.90-11.40 (10.55-11.30).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 100-115 (same).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.35-2.45 (same).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.55-5.30.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 20-33 (same).

VANADIUM: European free market, min. 98 per cent, $ a lb V_2O_5, cif, 1.30-1.40 (same).

URANIUM: Nuexco exchange value, $ per lb, U_3O_8, 6.90 (same).

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	+4,450	to 2,025,900
Copper	+6,600	to 504,250
Lead	-1,825	to 277,950
Nickel	+286	to 105,266
Zinc	+9,900	to 755,700
Tin	-20	to 21,835

Half NZ wool stockpile sold

THE NEW Zealand Wool Board says it has sold off half its stockpile of wool, reports Reuter from Wellington.

In February 1991 the board stopped a price support scheme following the collapse of a similar system in Australia. It had held a maximum of 655,228 bales in the middle of the 1990-91 season.

The wool has been sold off gradually to spread the impact on the market.

WORLD COMMODITIES PRICES

MARKET REPORT

The London Metal Exchange three months **COPPER** price eased from the day's highs in after hours trading but still showed a gain of about $20 a tonne on the day. Traders said talk of possible Japanese output cuts and a widening spread, which threatened *to bring September* $2,000 call options into the money, triggered widespread short-covering and took the price up to $1,948 at one stage. But profit-taking trimmed the rise and three months last *traded* at $1,943 a tonne, with the cash/three months premium, which had widened to $42 earlier, closing in to $37 a tonne. **ALUMINIUM** continued to find good two-way business around the $1,170 level for three months metal resulting in a narrow trading range. It closed below that level for the first time since early June, although with a last trade at $1,168.50, down $1.50, traders did not regard that as *a significant breakdown.* **NICKEL** was under pressure again from hedge selling but continued to find buying on dips below $4,700 a tonne. Last business was at $4,705, unchanged on the day. ***LEAD*** drifted despite *LME* stocks data showing 1,100 tonnes taken out of the Baltimore warehouse.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)(Oct)		+ or -
Dubai	$15.00-5.03u	+0.12
Brent Blend (dated)	$16.90-6.92u	+.115
Brent Blend (Oct)	$17.23-7.25	+.145
W.T.I (1 pm est)	$16.50-6.51u	+.165
Oil products (NWE prompt delivery per tonne CIF		+ or -
Premium Gasoline	$192-194	
Gas Oil	$165-168	-1
Heavy Fuel Oil	$61-63	
Naphtha	$161-163	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$373.45	-0.55
Silver (per troy oz)♣	479.00c	
Platinum (per troy oz)	$387.5	-0.35
Palladium (per troy oz)	$134.25	-1.75
Copper (US Producer)	[illegible]	-0.5
Lead (US Producer)	33.50c	
Tin (Kuala Lumpur market)	[illegible]	-0.04
Tin (New York)	223.5c	-1
Zinc (US Prime Western)	Unq	
Cattle (live weight)†	129.02p	-1.01*
Sheep (live weight)†♠	86.33p	+0.03*
Pigs (live weight)†	69.84p	-3.13*
London daily sugar (raw)	$240.7	+3.5
London daily sugar (white)	$295.0	[illegible]
Tate and Lyle export price	£271.0	+4.5
Barley (English feed)	Unq	
Maize (US No. 3 yellow)	£169.5	
Wheat (US Dark Northern)	£147.0	
Rubber (Sep)♥	59.00p	
Rubber (Oct)♥	60.00p	
Rubber (KL RSS No 1 Jul)	211.5m	
Coconut oil (Philippines)§	$452.5v	-2.5
Palm Oil (Malaysian)§	$360.0x	
Copra (Philippines)§	$289.0	
Soyabeans (US)	£196.5	
Cotton "A" Index	55.05c	
Wooltops (64s Super)	332p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. x-Aug/Sep v-Sep/Oct u-Oct t-Oct/Dec x-Aug/Sep ♥London physical. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices * change from a week ago, provisional prices.

SUGAR – LCE ($ per tonne)

White	Latest	Previous	High/Low	
Oct	263.00	261.60	263.50	261.50
Dec	259.10	258.00	260.00	258.30
Mar	259.50	259.50	261.00	259.30

White 1138 (962) Paris- White (FFr per tonne): Oct 1538.85 Dec 1521.85

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low	
Oct	17.18	17.23	17.30	17.14
Nov	17.34	17.40	17.45	17.31
Dec	17.50	17.54	17.59	17.44
Jan	17.65	17.68	17.72	17.61
Feb	17.75	17.78	17.79	17.72
Mar	17.80	17.80	17.87	17.78
IPE Index	17.18	16.97		

Turnover 16400 (10076)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low	
Sep	163.50	163.50	165.25	163.50
Oct	166.25	165.50	167.00	166.00
Nov	168.25	167.50	169.25	168.25
Dec	170.25	169.50	171.00	170.25
Jan	172.00	170.75	172.00	171.50
Feb	171.25	170.50	171.26	171.25
Mar	169.50	168.50	169.75	169.50
Apr	168.00	167.25	168.50	168.00
May	167.00		167.50	167.00
Jun	166.50	165.25	167.00	166.00

Turnover 10424 (9849) lots of 100 tonnes

JUTE
C and F Dundee, BTC US$320, BWC US$330, BTD US$305, BWD US$310. C and F Antwerp BTC US$315, BWC US$315, BTD US$290, BWD US$290.

COTTON
LIVERPOOL- Spot and shipment sales amounted to 194 tonnes for the week ended 20 August, against nil in the previous week. Improved demand brought moderate purchases mainly in Benin descriptions. Mali growths made some headway

COCOA – LCE £/tonne

	Close	Previous	High/Low	
Sep	767	766	791	775
Dec	815	794	819	800
Mar	834	814	840	825
May	846	824	[illegible]	[illegible]
Jul	856	832	858	844
Sep	864	844	865	852
Dec	877	859	878	872
Mar	885	869	892	880
May	898	879	905	900
Jul	906		906	

Turnover: 18090 (9028) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Aug 23 807.70 (789.62) 10 day average for Aug 24 770.46 (762.67)

COFFEE – LCE $/tonne

	Close	Previous	High/Low	
Sep	1268	1251	1282	1265
Nov	1242	1220	1256	1235
Jan	1213	1189	1223	1202
Mar	[illegible]	1175	1204	1186
May	1182	1166	1200	1180
Jul	1189		1185	

Turnover: 6362 (2825) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Aug 23 Comp. daily 69.29 (67.30) 15 day average 66.64 (66.43)

POTATOES – LCE £/tonne

	Close	Previous	High/Low	
Apr	75.9	75.4	76.5	76.0
May	87.8		88.0	86.3

Turnover 72 (102) lots of 20 tonnes.

[illegible] – LCE £/tonne

	Close	Previous	High/Low
Oct	-	-	

Turnover 0 (0) lots of 20 tonnes.

FREIGHT – LCE $10/index point

	Close	Previous	High/Low	
Aug	1454	1460	1460	1454
Sep	1460	1460	1460	1460
Oct	1485	1485	1500	1485
Nov	1496	1495	1505	1495
Apr	1540		1540	
BFI	1457	[illegible]		

Turnover 282 (185)

GRAINS – LCE £/tonne

Wheat	Close	Previous	High/Low	
Sep	104.40	105.00	104.75	104.45
Nov	105.50	106.25	106.00	105.50
Jan	107.55	108.30	108.00	107.60
Mar	109.80	110.50	110.20	110.00
May	111.90		112.25	
Barley	**Close**	**Previous**	**High/Low**	
Sep	99.90		99.95	99.75
Nov	102.95	102.80	103.00	102.75
Jan	105.20	105.10	105.00	
Mar	107.15		107.15	

Turnover: Wheat 414 (88) Barley 76 (3).
Turnover lots of 100 Tonnes.

PIGS – LCE (Cash Settlement) p/kg

	Close	Previous	High/Low
Sep	97.0	98.0	

Turnover 0 (0)lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 64,217 lots
Cash	1148-49	1145-46	1147	1147-47.5		
3 months	1171-72	1167.5-68	1173/1168	1168-68.5	1168-68.5	240,240 lots
Copper, Grade A ($ per tonne)						Total daily turnover 53,340 lots
Cash	[illegible]	1946-47	1987/1982	1985-86		
3 months	1946-47	1913-14	1950/1930	[illegible]	1943-44	169,884 lots
Lead ($ per tonne)						Total daily turnover 3,365 lots
Cash	386-87	384-86		384-84.5		
3 months	399-99.5	[illegible]	[illegible]	398-99	398-98.5	24,146 lots
Nickel ($ per tonne)						Total daily turnover 7,700 lots
Cash	4650-60	4645-50	4627/4626	4627-26		
3 months	4705-10	4700-05	4710/4675	4675-80	4705-10	45,255 lots
Tin ($ per tonne)						Total daily turnover 2,981 lots
Cash	4785-90	4810-20		4785-90		
3 months	4835-40	4860-70	4860/4855	4835-38	4820-30	11,317 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 30,647 lots
Cash	890-91	891-92	890/888.5	888.5-89		
3 months	904-05	904.5-05	909/897	[illegible]	897-98	79,728 lots

LME Closing £/$ rate:
SPOT: 1.4965 3 months: 1.4884 6 months: 1.4804 9 months: 1.4740

Copper and lead prices are now expressed in dollars per tonne

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	373.30-373.60	
Opening	372.70-373.20	
Morning fix	373.75	248.268
Afternoon fix	373.65	249.166
Day's high	373.60-373.90	
Day's low	372.40-372.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.64	6 months	2.55
2 months	2.59	12 months	2.61
3 months	2.55		

Silver fix	p/troy oz	US cts equiv
Spot	318.55	476.40
3 months	323.15	480.05
6 months	327.40	484.05
12 months	335.95	492.85

GOLD COINS

	$ price	£ equivalent
Krugerrand	372.00-375.00	247.00-250.00
Maple leaf	384.10-386.55	-
New Sovereign	88.00-91.00	58.00-61.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Oct	Jan	Oct	Jan
1175	18	46	30	34
1200	10	35	48	47
1225	6	26	67	63
Copper (Grade A)	**Calls**		**Puts**	
1900	73	92	20	58
1950	45	69	42	79
2000	24	48	69	112
Coffee	Nov	Jan	Nov	Jan
1100	123	125	51	62
1200	92	99	50	88
1250	66	78	74	115
Cocoa	Dec	Mar	Dec	Mar
725	100	129	10	20
750	81	111	16	27
775	64	94	24	35
Brent Crude	Oct	Nov	Oct	Nov
1700	35		20	35
1750	14	45	41	
1800	3	27		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Aug	371.9	372.5	372.7	372.5
Sep	372.2	372.8	373.5	372.8
Oct	373.1	373.7	375.3	372.9
Dec	374.9	375.5	377.0	374.8
Feb	376.7	377.3	378.5	376.8
Apr	378.4	379.0	380.1	[illegible]
Jun	380.1	380.7	[illegible]	381.9
Aug	381.8	382.4	383.2	383.2
Oct	383.6	384.2	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Aug	387.3	387.5	0	0
Oct	388.3	[illegible]	390.0	387.5
Jan	[illegible]	389.7	[illegible]	388.5
Apr	390.1	[illegible]	392.5	390.5
Jul	391.0	[illegible]	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Aug	473.0	476.0	0	0
Sep	[illegible]	476.3	479.0	472.5
Oct	474.8	[illegible]	0	0
Dec	477.8	481.0	484.0	477.0
Jan	478.3	481.4	0	0
Mar	482.7	485.9	[illegible]	483.0
May	486.1	489.4	486.5	486.5
Jul	489.3	492.7	494.0	494.0
Sep	492.8	496.2	0	0
Dec	498.1	[illegible]	502.0	498.5

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Aug	86.40	86.10	86.65	86.40
Sep	86.30	86.20	86.95	86.15
Oct	86.75	86.30	86.75	86.75
Nov	86.50	86.25	0	0
Dec	86.50	86.25	86.90	86.30
Jan	86.60	86.30	86.80	86.60
Feb	86.70	86.35	86.90	86.90
Mar	86.75	86.45	87.05	86.60
Apr	86.85	86.50	87.10	[illegible]
May	86.90	86.60	87.15	87.15

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Oct	18.44	[illegible]	18.57	18.39
Nov	18.69	18.77	18.83	18.66
Dec	18.85	[illegible]	18.97	18.83
Jan	19.01	19.07	19.10	18.97
Feb	19.12	[illegible]	19.20	19.09
Mar	19.18	[illegible]	19.29	19.18
Apr	19.25	19.35	19.34	19.28
May	19.32	[illegible]	[illegible]	19.35
Jun	[illegible]	19.49	19.49	19.38
Jul	19.50	19.56	19.60	19.48

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Sep	53.10	53.33	53.45	52.95
Oct	54.15	54.45	54.50	54.05
Nov	55.10	55.38	55.40	55.10
Dec	56.05	56.40	56.35	56.05
Jan	56.75	57.00	56.95	56.55
Feb	57.00	57.20	57.05	56.60
Mar	56.20	56.35	56.20	55.90
Apr	55.00	55.15	55.10	55.00
May	54.00	54.30	54.00	[illegible]
Jun	54.60	53.60	0	0

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Sep	1000	1000	1017	995
Dec	1056	1054	1078	1054
Mar	1090	1088	1108	1088
May	1109	1107	1125	1113
Jul	1129	1127	1136	1128
Sep	1150	1148	1160	1157
Dec	1178	1176	1189	1166
Mar	1201	1199	1205	1199
May	1221	1219	1222	1215

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Sep	[illegible]	75.75	77.00	75.00
Dec	77.70	78.25	79.20	77.25
Mar	79.70	80.35	81.20	79.30
May	81.00	81.70	82.40	[illegible]
Jul	82.20	83.50	84.00	83.50
Sep	83.90	84.95	83.90	[illegible]
Dec	87.50	86.90	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	9.36	9.28	9.37	9.23
Mar	[illegible]	9.47	9.54	9.43
May	9.63	9.57	9.66	9.56
Jul	[illegible]	9.63	9.71	9.63
Oct	9.74	9.64	9.74	9.63

COTTON 50,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	55.60	55.48	55.85	55.50
Dec	56.54	56.48	56.98	56.51
Mar	58.10	57.88	58.45	57.99
May	58.77	58.65	59.16	59.00
Jul	59.47	59.38	59.85	59.75
Oct	59.68	59.93	60.33	59.78
Dec	59.65	60.40	60.28	59.65

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	[illegible]	120.10	122.25	120.00
Nov	123.75	123.45	125.30	123.10
Jan	125.25	124.90	126.40	124.70
Mar	126.75	126.80	128.00	126.00
May	127.85	127.45	0	0
Jul	127.90	127.45	127.80	126.75
Sep	125.80	[illegible]	0	0
Nov	125.90	125.45	0	0
Jan	125.90	125.45	0	0

INDICES

REUTERS (Base:September 18 1931 = 100)

Aug.24	Aug.23	mnth ago	yr ago
1628.6	1613.5	1699.3	1523.4

DOW JONES (Base: Dec. 31 1974 = 100)

	Aug.23	Aug.20	mnth ago	yr ago
Spot	123.24	122.86	124.34	117.45
Futures	125.26	124.75	129.56	116.66

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Sep	671/2	673/6	676/6	668/2
Nov	671/4	675/4	678/4	669/4
Jan	677/2	681/6	684/4	675/6
Mar	682/6	686/0	688/4	680/0
May	683/2	686/2	689/0	681/0
Jul	685/0	687/6	691/0	682/4
Aug	681/0	[illegible]	685/0	678/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Sep	23.52	[illegible]	24.00	23.42
Oct	23.67	23.96	24.10	23.56
Dec	23.93	24.16	24.37	23.78
Jan	24.03	24.27	24.35	23.90
Mar	24.15	24.43	24.52	24.08
May	24.20	24.48	24.50	24.06
Jul	24.20	24.47	24.60	[illegible]
Aug	24.06	24.36	24.45	[illegible]

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Sep	215.1	216.3	217.7	214.4
Oct	[illegible]	214.3	215.5	212.4
Dec	[illegible]	213.9	215.3	212.4
Jan	[illegible]	214.0	216.0	212.5
Mar	213.5	213.8	214.6	212.9
May	213.2	213.5	214.1	212.6
Jul	213.2	212.7	214.0	212.5
Aug	[illegible]	211.2	212.0	210.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Sep	237/2	236/4	239/4	237/0
Dec	244/2	245/6	248/4	243/6
Mar	[illegible]	253/4	254/2	251/6
May	256/6	257/6	258/6	256/6
Jul	259/0	260/0	261/0	258/4
Sep	250/4	251/4	252/0	250/4
Dec	242/4	243/6	244/4	242/2

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Sep	309/2	309/6	312/6	307/4
Dec	316/0	315/6	318/6	314/2
Mar	318/2	317/4	320/4	316/4
May	312/4	312/0	314/0	310/4
Jul	301/2	301/0	302/2	300/4
Sep	305/2	305/0	0	0
Dec	312/0	312/2	312/0	312/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Aug	74.125	74.675	74.550	73.725
Oct	74.325	74.300	74.550	73.900
Dec	75.075	75.125	75.325	74.775
Feb	75.575	75.625	75.725	75.375
Apr	76.650	76.600	76.750	76.400
Jun	73.400	73.375	73.475	73.200
Aug	72.200	72.150	72.250	72.150

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Aug	51.200	50.600	51.500	50.300
Oct	45.425	45.375	45.560	45.050
Dec	45.650	45.775	45.775	45.425
Feb	45.300	45.450	45.550	45.300
Apr	44.150	44.175	44.250	44.100
Jun	49.075	49.100	49.150	49.050
Jul	48.000	47.900	48.150	48.000
Aug	46.750	46.750	0	0

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Aug	39.775	39.050	40.400	37.050
Feb	48.350	47.675	48.885	47.800
Mar	47.875	47.375	48.700	47.550
May	48.550	47.800	49.150	48.550
Jul	49.900	50.000	0	49.900
Aug	49.300	48.750	48.300	0

LONDON STOCK EXCHANGE

Footsie at peak as US buyers return

By Terry Byland,
UK Stock Market Editor

LONDON stocks were quick to follow the lead from across the Atlantic yesterday and, encouraged also by optimism in Germany ahead of this morning's meeting at the Bundesbank, the FT-SE 100 Index rose nearly 30 points to a new closing peak of 3,079.2.

US buyers appeared again in strength towards the London close, when Wall Street was extending its move into record territory and the US dollar was moving higher. They picked up shares in the leading oil and pharmaceutical companies, as well as, more selectively, across the broader range of the London market.

Impressed by predictions from leading banking economists in Germany that the Bundesbank will cut its key discount rate today, UK analysts sounded more confident on the timing of rate cuts in Europe. The mood in London was summed up by one leading strategist who commented yesterday: "If they (the Bundesbank) do not act today, they will sooner or later, so the timing is not so compellingly significant."

Dealers stressed that the chief impetus behind the renewed advance in equities had been the reappearance of the US buyers who helped drive the Footsie above the 3,000 mark two weeks ago. Heavy sales of mutual funds in the US, with particular success for funds aimed at investment in the UK and other European stock markets, have underpinned confidence that US investors are returning to equity investment in strength.

The FT-SE Mid 250 Index also rose to a new peak yesterday, gaining 21.4 to 3,495.6. The strong rise in the UK stock market's two most widely quoted measuring rods was also underlined by high trading volume in equities, with non-Footsie stocks making up around 58 per cent of the day's Seaq total of 731.8m shares. On Tuesday, Seaq volume of 539.4m shares represented £1.25bn in retail, or customer, business, a return to the average daily totals established over the past twelve months.

Equities opened higher on the back of Wall Street's move overnight to an all-time peak and found additional encouragement from increased activity in the derivatives market.

At the day's best, the Footsie reached 3,081.8, within 8 points of the intra day peak reached on Aug 19. Marketmakers again found themselves very short of stock because fund managers instantly cancelled any selling orders previously placed with stockbrokers.

"You dare not sell anything on a day like this because it will cost you dear to try and buy it back an hour later," said one dealer. Pressures were particularly harsh in the oil share sector which bore the full weight of US buying and dollar pressures.

Equity market market confidence brushed aside the widely-expected rights issue from MB-Caradon, which came in at £334m, and also a £500m Eurosterling bond from BT.

Dealers ascribed the renewed advance in the market to a continuation of the same bullish arguments which have driven UK stocks ahead since the beginning of the month; a perception of low inflation, falling interest rates and a recovery, albeit slow, in the domestic economy.

On this basis, London will pay close attention to Wall Street's performance overnight as well as to the outcome of today's meeting of the Bundesbank policy council.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ASDA Group†	20,000	60¾	+2
Abbey National†	2,800	403	+5
Albert Fisher	1,500	72	
Allied-Lyons†	1,900	620	+6
Anglian Water†	387	529	+1
Argos	1,500	340	+7½
Argyll Group†	4,800	345	-3
Arjo Wiggins†	4,500	204	+7
Assoc. Brit. Foods†	156	526	-1
Ass. Brit. Ports	646	468	
BAA†	854	798	+10
BAT Inds.†	4,500	479	+½
BET	5,100	124½	+3
BICC	862	402	+8
BOC†	366	648	+4
BP†	9,500	317½	+12
BPB Inds.	546	251	+3
BT†	10,000	425	+2¼
BT (P/Pd)	9,800	183	+3
BTR†	6,000	396½	+½
Bank of Scotland†	10,000	169½	+8½
Barclays†	8,100	515	+10
Bass†	1,800	522	+2
Blue Circle†	3,800	268	-1
Booker	324	438	+4
Boots†	4,700	486	+6
Bowater†	1,200	508	+7
Brit. Aerospace†	1,900	444	+6
British Airways†	2,100	352½	+6½
British Gas†	4,300	333½	+1
British Land	2,300	373	+6
British Steel†	6,300	114	
Bunzl	1,500	142	+4
Burmah Castrol†	254	792	+6
Burton	7,600	77	-3
Cable & Wire.†	1,300	542	+6
Cadbury Schweppes†	1,100	481	-1
Calor Group	198	365	+5
Carlton Comms.†	1,400	801	-3
Coats Viyella†	3,000	246	+2
Comm. Union†	1,800	615	+1
Cookson	1,400	229	
Courtaulds†	1,700	584	+2
Dalgety	1,400	518	+20
De La Rue†	312	768	
Dixons	1,900	225	+5
Eastern Elect.	82	529	+4
East Midland Elect.	451	512½	+2½
Eng China Clays	542	456	
Enterprise Oil†	3,000	448	+12
Eurotunnel Units	163	466	+13
FKI	497	132	
Fisons	2,100	182	+2
Foreign & Col. I.T.	683	252	+1
Forte†	1,600	231	+1
Gen. Accident†	881	686	+1
General Elect.†	2,500	333	+4½
Glaxo†	4,400	583	+5½
Glynwed Int.	75	311	+1
Granada†	1,800	440	+5
Grand Met.†	4,000	462	+7
GUS A†	197	2043	-3
GRE†	1,800	214	+4
GKN	701	500	+2
Guinness†	4,200	619	+7
HSBC (75p shs)†	3,700	716½	+3½
Hammerson 'A'	892	368	+3
Hanson†	13,000	259½	+3½
Harrisons Crosfield	358	192	-1
Hillsdown	2,100	188	
IMI	489	330	
ICI†	1,400	696	+6
Inchcape†	1,400	567	+13
Johnson Matthey	338	492	+8
Kingfisher†	2,100	669	-9
Kwik Save	613	731	-30
Ladbroke†	4,400	203	-3
Land Securities†	2,800	673	+10
Laporte	141	636	+2
Legal & General†	626	489	+2
Lloyds Abbey	1,000	430	-1
Lloyds Bank†	2,400	548	+9
LASMO	5,600	145	+3
London Elect.	282	591	+6
Lonrho	3,300	131	+3
Lucas	2,900	154	+1
MB Caradon†	6,800	336	+24
MEPC	687	493	+3
MFI	1,000	142	+3
Manweb	388	677	+8
Marks & Spencer†	3,800	386	+2
Midlands Elect.	448	569	+4
Morrison (Wm.)	94	152	-1
NFC†	687	288	+5
NatWest Bank†	4,400	495	+5
National Power†	1,200	365½	+8½
Next	2,100	202	+1½
North West Water†	352	520	-1
Northern Elect.	33	573	+2
Northern Foods†	1,300	285	+5
Norweb	368	579	+2
Pearson†	2,300	480	+1
P & O†	2,800	636	-2
Pilkington	1,100	158	+4
PowerGen†	2,200	392½	+9½
Prudential†	3,400	307	
RMC†	478	788	-6
RTZ†	3,000	712	+10
Racal	854	257	+2
Rank Org.†	1,300	774	+23
Reckitt & Colman†	739	615	+6
Redland†	1,700	540	-3
Reed Intl.†	285	716	+5
Rentokil†	1,200	210	+4
Reuters†	789	1518	+18
Rolls Royce	4,900	159½	
Rothmans†	1,500	760	+31
Ryl Bk Scotland†	[illegible]	[illegible]	-3
Royal Insurance†	1,900	309	
Saatchi	1,500	188	
Sainsbury†	2,700	504	-1
Scottish & New.†	789	473	+8
Scot. Hydro-Elect.†	383	371½	+6½
Scottish Power†	2,700	365½	+4½
Sears†	4,800	112	-1½
Sedgwick	454	184	-1
Seeboard	881	584	+6
Severn Trent Water†	538	541	-1
Shell Transport†	4,100	671½	+11
Siebe†	984	537	+1
Slough Ests	1,300	242	+2
Smith (W.H.) A	4,300	471	+16
Smith & Nephew†	1,600	148	+2
SmKl Beecham†	2,300	447	+1
SmKl Beecham Uts†	443	388	+3
Smiths Inds.	944	388	+1
Southern Elect.	173	536	+4
South Wales Elect.	2	595	+6
South West Water	280	557	+2
South West. Elect.	58	547	+8
Southern Water	738	560	-3
Standard Chartd.†	1,300	938	+13
Storehouse	2,300	224	-1
Sun Alliance†	1,600	382	
T&N	1,100	212	
TI Group†	1,200	395	+7
TSB†	1,700	203	+1
Tarmac	8,700	158	+6
Tate & Lyle†	10,000	393	-1
Taylor Woodrow	394	135	-2
Tesco†	4,300	225	-1
Thames Water†	338	542	
Thorn EMI†	1,900	994	+13
Tomkins†	10,000	239	+2½
Trafalgar House	2,800	116½	+1
Unigate	494	399	+5
Unilever†	1,800	1079	+8
United Biscuits†	1,800	381	+2
Utd. Newspapers	333	574	+7
Vodafone†	9,700	570	+6
Warburg (SG)†	78	806	+3
Wellcome†	1,700	756	+12
Welsh Water	175	619	
Wessex Water	77	622	+1
Whitbread 'A'†	1,800	535	+2
Williams Hldgs.†	2,100	345	+3
Willis Corroon	1,500	236	-4
Wimpey	65	184	+1
Wolseley†	900	654	+10
Yorkshire Elect.	81	561	+8
Yorkshire Water	58	592	-2
Zeneca†	2,400	712	+15

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 index constituent.

Account Dealing Dates

*First Dealings:		
Aug 16	Sep 6	Sep 20
Option Declarations:		
Sep 2	Sep 16	Sep 30
Last Dealings:		
Sep 3	Sep 17	Oct 1
Account Day:		
Sep 13	Sep 27	Oct 11

*New time dealings may take place from two business days earlier.

Oil issues extend recovery

AN OIL sector that has doggedly underperformed the market in the past month built convincingly on Tuesday's better performance as Wall Street continued to move to record levels.

Sizeable US buying overnight filtered through into London at the outset of trading yesterday, driving share prices sharply higher as marketmakers, already keenly aware of a growing stock shortage in London, began to chase stock prices higher in an attempt to cut their trading positions.

This only exacerbated a situation which increasingly difficult in the afternoon session when one of the US investment banks was seen aggressively bidding for stock in the oil majors.

Talk of events in Nigeria a possibly driving oil prices higher were ignored by London oil sector specialists who said the upsurge in share prices was down to three reasons; a stock shortage; the strength of the dollar; and Wall Street's latest move to record levels. There was no real boost to share prices from oil prices which were barely changed on the day.

BP surged higher in the wake of the aggressive US buying, closing 12½ higher at 317½p with turnover expanding to a good 9.9m shares. Shell moved up 11 to 671½p on 4.1m shares traded.

Deal welcomed

The market was cheered by confirmation that building products and printing company MB-Caradon is to acquire RTZ's building and electrical subsidiary Pillar, in a much heralded £800m deal.

As widely predicted, the acquisition is to be partly funded by a one-for-four rights issue at 260p, to raise £334m, with the rest of the payment coming from Caradon's existing cash pile.

Market watchers have been waiting to see how the proceeds of last April's sell of Caradon's 25.3 per cent stake in CarnaudMetalbox would be used, with many urging the company to buy a lot of sales cheaply. Researchers of the sector said the deal meets that requirement and the shares jumped 32 to 344p, at the day's peak in hectic trading before surrendering some of the earlier gains in profit-taking. They finished a net 24 ahead at 336p, with volume reaching 6.8m, more than double the daily average.

Having released bumper interim figures at the same time, analysts tinkered with full year estimates for 1993 but moved to sharply upgrade 1994 profit forecasts substantially. Mr Howard Seymour at BZW raised his forecast by £70m to 210m, and predicted earnings per share would rise from a previous estimate of 18.7p to 20.4p.

Shares in international mining and metals group RTZ jumped 10 to 712p, in trade of 3m shares.

Drugs active

The rehabilitation of the UK drugs sector, which began in earnest a couple of weeks ago when a burst of US buying triggered a general re-rating of the sector, continued yesterday and was again driven by US funds.

London marketmakers were said to have been caught short of the front line stocks such as Glaxo, Wellcome and Zeneca, all of which performed strongly. Zeneca, first traded around 592p in May this year, following its demerger from ICI, jumped 15 to a record 712p on 2.4m traded. Glaxo put on 5½ to 583p and Wellcome 12 to 756p.

The BZW profits upgrade continued to bolster ICI which moved up 6 to 696p.

Hickson International was a rare weak spot in the chemicals area, the shares losing 13 to 171p after the 17 per cent profits fall and a disappointing accompanying statement.

US activity provided the lion's share of turnover in Vodafone where a block of 7.5m shares traded at 561p, simultaneously with a block of 750,000 ADRs traded at $84.89.

The two classes of BT made modest progress after the £500m eurosterling bond. BT "old" edged up 2¼ to 425p and the partly paid 3 to 183p.

There was no let up in the demand for Barclays Bank which has followed the appointment of Mr Martin Taylor as the bank's new chief executive as from next January. Turnover in Barclays topped 8m shares with the stock price surging ahead to close a further 10 up at a record 515p. Lloyds Bank also attracted sustained institutional support, ending a busy session 9 to the good at 548p. NatWest added 5 at 495p and Standard Chartered 13 at 938p.

The composite insurance sector was much calmer with Guardian Royal 4 firmer at 214p ahead of interim results expected this morning. Lowndes Lambert was the pick of the insurance brokers, moving up 12 to 443p on talk of a broker buy note.

A broker buy recommendation was said to have lifted National Power 8½ to 365½p. PowerGen added 9½ to 392½p.

The exploration and production sub-sector made further strong progress led up by Enterprise Oil which climbed 12 more to 448p, on above-average turnover of 3m shares, with the Kleinwort and Lehman buy recommendations issued earlier this week followed by a switch from Lasmo recommendation from another of the leading UK brokers.

Nevertheless, Lasmo continued to push ahead, the shares touching 146p before settling a further 3 higher at 145p. Turnover came out at 5.6m, maintaining the heavy activity seen in the stock over the past few weeks.

Hardy Oil added 6½ to a 1993 high of 164p following recent broker buy recommendations. Calor, another broker favourite this week, put on 5 more to 365p.

A broker's visit to Asda boosted turnover to 20m and the shares firmed 1¾ to 66¼p.

Turnover in Tate & Lyle jumped to 10m after two agency crosses. The shares eased a penny to 393p. Dalgety jumped 20 to 518p, on talk of a strong recommendation from Strauss Turnbull.

The strong trend in both the UK and French stock markets gave a push to the recovery of Euro Disney and the shares gained another 20 to 665p. Channel tunnel operator Eurotunnel was also helped by the same sentiment, the shares finishing 13 up at 466p.

A buy recommendation from its broker Credit Lyonnais Laing ahead of results next Tuesday, saw Bellwinch close 6 ahead at 40p.

Shares in high street retailer W.H.Smith surged forward after the company reported final year figures at the top end of expectations and also raised the dividend payment.

The "A" shares jumped 16 to 471p, as 4.1m shares were traded. Mr Tony Shiret at BZW was among brokers who upgraded current year estimates, raising his forecast by £5 to £122m.

WH Smith's good showing helped sentiment in Boots, and the shares put on 6 to 486p. Profit-taking was blamed for the decline in Kingfisher where the shares gave up 9 to 669p.

Reports of "sell" advice from UBS left shares in Ladbroke trailing 3 to 203p. Rentokil Group were in demand ahead of today's interim figures.

The shares firmed 4 to 210p. A positive recommendation from Kleinwort was said to have continued boosting Inchcape, the shares moving 13 ahead to 567p.

The "light" end of the building materials sector provided a firm feature in Wolseley which jumped 10 more to 654p, still boosted by a series of recent buy recommendations from building analysts, notably from Carr Kitcat.

Mr Lawrence Ambolt at Carr said "in a highly rated sector, Wolseley represents good value – particularly when compared with other distributors, none of which have Wolseley's track record, nor, we would argue, its prospects or management strength."

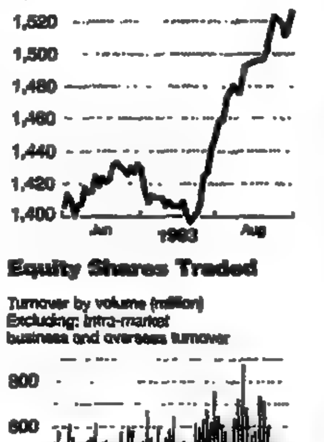
Pilkington came in for sustained buying interest, the ordinary shares moving up 4 to 158p and the warrants 2⅛ to 56½p.

Among housebuilders, Barratt jumped 5 to 161p, Wilson Bowden 11 to 439p, Wilson Connolly 8 to 192p, and Alfred McAlpine, scheduled to report interims today, 8 better at 215p.

MARKET REPORTERS:
Steve Thompson,
Joel Kibazo.

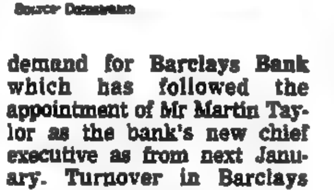
■ Other statistics, Page 16

FT-A All-Share index



Equity Shares Traded

Turnover by volume (million)
Excluding: intra-market business and overseas turnover



Source: Datastream

NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (248).
BRITISH FUNDS (8) Ex. 12pc '98, Cv. 10½pc '99, Cv. 9pc '00, Tr. 4⅝pc IL '98, Tr. 2pc IL '06, Tr. 3pc '06, AMERICANS (6) BANKS (6) ABN, Barclays, Deutsche Bk., BREWERS (6) Fuller STA, Guinness, Matthew Clark, Whitbread, Regent Inns, BLDG MATLS (9) CRH, Cape, MB Caradon, Do 7¼pc Pf., Marden, Marshalls, Pilkington, Do Wts., Sheffield Insirns., Tarmac, BUSINESS SERVS (5) Bridgend, Comac, Gardiner, Hogg Robinson, MITIE, CHEMS (4) Croda, European Colour, Halstead, Porvair, CONGLOMERATES (4) Brierley, Goode Durrant, Grampian, Trafalgar House, CONTG & CONSTRCN (8) Ashtead, Bellway, Bellwinch, CALA, Laing 8.4pc Pf., McAlpine, Sman, Westbury, ELECTRICALS (4) Arlen, Critchley, Kenwood, Scholes, ELECTRONICS (6) Asteo, CML, Diploma, Tunstall, ENG GEN (8) Bailey, BS, GEI, Hill & Smith, Molins, Protean, TI Grp., Wilbed, FOOD MANUF (5) Assoc. Fisheries, Dalgety, Kalcon, Linton Park, Matthews, HEALTH & HSEHOLD (4) Amersham, Huntleigh, Nestor-BNA, Paterson Zochonis, Do N/V, [illegible], HOTELS & LEIS (6) Airtours [illegible] Pf., Jurys, Pelican, Stanley, Thorn EMI, INSCE BROKERS (1) Lowndes Lambert, INSCE COMPOSITE (3) Allianz, Travelers, INSCE LIFE (1) Lincoln Nat., INV TRUSTS (76), MEDIA (8) [illegible] Independent, More O'Ferrall, News Intl., Reed, Telegraph, Trinity, MTL & MTL FORMING (1) Elementol, MISC (9) Bockenham, Chemring, Fine Decor, Osborne & Little, Ricardo, MOTORS (6) ABI, BBA 6¾pc Pf., Channel, Davenport Vernon, ERF, Evans Halshaw, Henlys, Mayflower, Vardy (Reg), OIL & GAS (7) Bow Valley, British Borneo, Chevron, Crusader, Royal Dutch, Shell, Do 7pc Pf., OTHER FINCL (9) Caledonia, Cattle's, Edinburgh Fd. Mngrs., Guinness Peat, Lon. Forfaiting, M & G, Perpetual, Rathbone Bros., OTHER INDLS (1) McKechnie, PACKG, PAPER & PRINTG (10) Bemrose, Bowater, Bunzl, De La Rue, Ferguson, Field, Rexam, Hunters Armley, Macfarlane, Wace 8pc Pf., PROP (13) Allied London, Asda Prop., Bilton, Bradford, British Land, Daejan, Derwent Valley, Five Oaks, Hallwood Bar, Mucklow, PST, [illegible], STORES (9) [illegible], Etam, Rosebys, Tie Rack, TELE NETWORKS (2) GN Gt. Nordic, Vodafone, TEXTS (5) Alexandra Workwear, Coats Viyella, Hicking Pentecost, Readicut, Sirdar, TRANSPORT (8) Assoc. British Ports, GATX, Natl. Express, Nordish, Ocean Wilsons, Powell Duffryn, Seacon, Stagecoach, MINES (2) Cape Range, RTZ.
NEW LOWS (8).
AMERICANS (1) Morris (Ph), BANKS (1) Espirito Santo, BUSINESS SERVS (1) Penna, CHEMS (2) Hickson, Plysu, MISC (1) Applied Holographics, TEXTS (1) Horace Small Apparel, MINES (1) Devex.

FINANCIAL TIMES EQUITY INDICES

	Aug 25	Aug 24	Aug 23	Aug 20	Aug 19	Year ago	* High	* Low
Ordinary share	2394.3	2373.5	2373.1	2384.1	2394.5	1678.2	2408.1	2124.7
Ord. div. yield	3.86	3.89	3.89	3.87	3.85	5.33	4.52	3.84
Earning yld % full	4.55	4.59	4.59	4.57	4.55	7.74	[illegible]	[illegible]
P/E ratio net	28.04	27.81	27.83	27.95	28.08	16.53	28.16	19.40
P/E ratio nil	25.90	25.68	25.70	25.82	25.93	15.20	[illegible]	18.14
Gold Mines	197.0	199.0	197.8	197.7	201.5	78.7	249.2	80.0

*For 1993. Ordinary share index since compilation: high 2408.1 18/8/93 - low 49.4 26/6/40
Gold Mines Index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Basis Ordinary share 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2381.3	2387.4	2382.4	2384.8	2388.2	2390.0	2394.1	2394.7	2393.1	2398.1	2381.3

Volume	Aug 25	Aug 24	Aug 23	Aug 20	Aug 19	Year ago
SEAQ Bargains	31,885	28,734	33,507	33,643	41,386	17,228
Equity Turnover(£m)†	-	1251.9	1182.8	1582.0	1748.2	628.2
Equity Bargains†	-	33,524	38,590	39,199	46,430	20,480
Shares traded (mil)†	-	475.2	505.2	606.3	711.5	335.1

† Excluding intra-market business and overseas turnover.

London report and latest Share Index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p at all other times.

EQUITY FUTURES AND OPTIONS TRADING

BUSINESS in the UK derivatives area increased smartly yesterday as markets responded to predictions from German economists of a cut in the Bundesbank's discount rate today, writes Terry Byland.

The September future contract on the FT-SE 100 re-established a good premium of around 10 points against cash, trading at 3,097 at best. At the close the contract stood at 3,080, a premium of 9 against cash and about 3 above estimated fair value – the quotation on the contract which allows for carrying costs and dividend payments on the underlying stocks. However, interest cooled off after the Bundesbank said it planned no press conference for today.

More significantly, volume increased to 10,488 lots in the September contract, compared with under 6,000 on Tuesday and below 7,000 on Monday.

The picture was the same in traded options, where volume jumped to 37,622 contracts from Tuesday's 22,382. Both the FT-SE 100 option (8,442) and the Euro FT-SE option (2,919) saw increased interest.

Among individual stock options, oils were active, with Lasmo (2,390) still very busy as the underlying stock continued to trade heavily on hints of a shake-up in the industry. But the most active spot was taken by Amstrad, the consumer electronics company, with 2,510 contracts dealt. Glaxo, the subject of US interest again, had 1,842 lots traded.

FT-SE Actuaries Share Indices — THE UK SERIES

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
3079.2 +29.9	3495.6 +21.4	1527.58 +13.14

	Aug 25	Day's change %	Aug 24	Aug 23	Aug 20	Year ago	Dividend yield %	Earnings yield %	P/E Ratio	Xd adj ytd	Total Return
FT-SE 100	3079.2	+1.0	3049.3	3042.0	3057.6	2285.0	3.73	5.80	22.14	86.57	1113.79
FT-SE Mid 250	3495.6	+0.6	3474.2	3467.4	[illegible]	2194.6	3.46	5.53	22.37	63.78	1252.84
FT-SE Mid 250 ex Inv Trusts	3507.9	+0.6	3488.1	3479.5	3493.6	2207.5	3.56	5.91	21.10	65.03	1252.52
FT-SE-A 350	1542.1	+0.9	1528.4	1524.9	1532.4	1104.5	3.67	5.58	22.19	32.15	1142.58
FT-SE SmallCap	1771.80	+0.4	1763.78	1759.97	1760.71	–	3.17	3.80	35.56	29.80	1329.87
FT-SE SmallCap ex Inv Trusts	1765.31	+0.4	1757.65	1753.18	1751.84	–	3.35	4.31	33.18	30.14	1376.00
FT-A ALL-SHARE	1527.58	+0.9	1514.44	1510.96	1518.01	1087.44	3.64	5.49	22.72	31.43	1152.03
1 CAPITAL GOODS(214)	1093.82	+0.8	1084.89	1081.79	1088.52	687.24	3.63	3.84	34.34	21.87	1284.20
2 Building Materials(28)	1183.21	+1.3	1168.33	1163.04	1166.23	686.69	3.86	3.28	42.93	21.56	1367.56
3 Contracting, Construction(35)	1042.81	+0.6	1036.16	1031.94	1041.85	547.78	3.15	1.25	80.00†	14.39	1440.08
4 Electricals(15)	3079.71	+1.7	3028.53	3004.04	3033.24	2047.11	4.38	3.47	36.08	74.00	1244.85
5 Electronics(35)	2955.03	+0.8	2930.27	2937.18	2931.10	1876.61	2.93	5.64	21.70	62.97	1293.85
6 Engineering-Aerospace(7)	453.90	+0.8	450.14	445.55	453.84	292.82	3.25	‡	†	8.61	1567.26
7 Engineering-General(45)	632.78	+0.8	628.85	630.89	636.50	418.31	3.44	5.59	21.61	12.41	1267.43
8 Metals & Metal Forming(14)	464.61	+0.4	462.73	458.75	457.21	259.51	2.38	‡	‡	6.45	1467.62
9 Motors(20)	460.89	+0.5	458.57	459.34	462.83	288.75	4.74	4.11	33.97	10.47	1264.18
10 Other Industrials(19)	2262.42	+0.5	2251.41	2240.18	2248.83	1509.52	4.00	5.08	23.52	51.39	1166.80
21 CONSUMER GROUP(233)	1740.86	+0.7	1728.24	1729.92	1737.58	1446.37	3.31	6.44	19.83	30.47	1011.54
22 Brewers and Distillers(29)	2061.59	+1.2	2037.04	[illegible]	2020.36	[illegible]	3.58	7.50	16.11	42.12	1009.53
25 Food Manufacturing(22)	1388.84	+0.7	1379.84	1377.39	1382.07	1092.19	3.66	7.03	16.87	28.07	1071.68
26 Food Retailing(17)	3056.82	-0.2	3061.81	3091.21	3126.34	2596.39	3.08	8.45	14.58	52.25	958.48
27 Health & Household(26)	3528.41	+1.1	3490.74	3503.29	3514.58	3648.63	3.49	6.23	18.72	47.83	835.90
29 Hotels and Leisure(18)	1432.09	+0.6	1423.61	1424.58	1438.80	958.60	4.12	5.85	21.38	45.01	1155.73
30 Media(33)	2125.96	+0.7	2111.27	2118.01	2121.63	1380.63	2.48	4.76	25.45	28.92	1182.23
31 Packaging and Paper(24)	915.08	+1.3	903.38	899.25	898.14	698.60	3.20	5.25	23.46	15.37	1192.88
34 Stores(38)	1256.26	+0.3	1253.98	1258.73	1268.51	916.84	2.86	5.55	22.74	18.39	1100.77
35 Textiles(20)	833.30	+0.6	827.86	828.31	827.08	554.98	3.67	5.78	21.69	15.55	1126.83
40 OTHER GROUPS(141)	1612.86	+0.8	1599.82	1597.81	[illegible]	1174.68	4.00	6.91	17.90	38.87	1152.83
41 Business Services(27)	1710.41	+1.3	1687.74	1682.22	1683.46	1103.49	2.59	6.87	16.82	21.86	1139.21
42 Chemicals(23)	1589.46	+0.3	1585.82	1587.14	1571.09	1249.73	4.19	0.29	‡	43.89	1135.50
43 Conglomerates(11)	1568.58	+1.4	1546.10	1538.32	[illegible]	1096.97	4.88	6.85	16.47	35.28	1161.08
44 Transport(15)	3198.86	+0.8	3172.25	3160.53	3172.82	2133.28	3.82	4.87	25.79	58.31	1180.19
45 Electricity(16)	1921.02	+1.4	1894.21	1898.84	1904.79	1358.86	4.10	11.67	10.66	61.43	1271.48
46 Telephone Networks(4)	1888.57	+0.7	1875.82	1875.20	1897.92	1359.93	3.59	5.54	22.34	34.68	1144.75
47 Water(13)	3848.49	-0.1	[illegible]	[illegible]	3854.45	2963.70	4.86	11.38	9.30	106.71	1161.01
48 Miscellaneous(32)	2499.42	+0.6	2487.17	2475.96	2498.06	1883.71	4.23	7.70	15.21	[illegible]	[illegible]
49 INDUSTRIAL GROUP(588)	1550.57	+0.8	1538.78	1537.97	1545.18	1169.75	3.81	6.08	20.18	31.30	1105.92
51 Oil & Gas(18)	2674.95	+2.0	2622.69	2583.43	2585.01	1785.40	4.89	5.89	21.29	83.10	1220.47
59 "500" SHARE INDEX(606)	1650.02	+0.9	1635.33	1631.90	1638.84	1228.85	3.66	6.04	20.31	33.26	1117.81
61 FINANCIAL GROUP(99)	1138.39	+0.6	1129.61	1125.61	1132.98	637.62	3.76	3.26	45.76	27.36	1340.16
62 Banks(9)	1536.94	+1.1	1519.59	[illegible]	1519.70	864.91	3.46	4.65	34.22	39.85	1329.89
65 Insurance (Life)(6)	2052.56	+0.1	2050.07	2052.50	2040.10	1331.08	4.36	4.88	25.88	47.49	1193.89
66 Insurance (Composite)(7)	720.28	+0.4	717.89	722.87	[illegible]	428.97	4.85	‡	‡	19.89	1184.54
67 Insurance Brokers(10)	945.77	-0.6	952.50	954.61	947.14	539.53	4.12	4.43	33.22	17.64	1249.97
68 Merchant Banks(6)	798.30	+0.2	794.91	798.20	801.01	398.71	2.85	5.72	21.89	13.82	1820.22
69 Property(29)	1024.40	+1.0	1013.82	1009.28	1016.94	497.74	3.97	3.83	33.83	20.13	1840.97
70 Other Financial(23)	455.33	+0.1	454.85	454.82	458.15	218.32	3.33	4.78	27.96	7.28	1538.92
71 Investment Trusts(110)	1686.77	+0.5	1677.77	1674.82	1695.70	1028.04	2.44	1.94	51.87	34.21	1284.41
99 FT-A ALL-SHARE(805)	1527.58	+0.9	1514.44	1510.96	1518.01	1087.44	3.64	5.49	22.72	31.43	1152.03

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3058.5	3058.3	3060.3	3067.2	3071.0	3077.6	3079.6	3079.7	3079.2	3081.8	3058.5
FT-SE Mid 250	3479.5	3483.8	3481.1	3483.8	3488.6	3490.9	3492.1	3492.8	[illegible]	3495.7	3479.4
FT-SE-A 350	1532.5	1535.9	1533.3	1536.3	1538.2	1540.6	1541.9	1542.0	1542.6	1542.8	1532.5

Time of FT-SE 100 high: 2:41pm low: 8:42am

FT-SE Actuaries 350 Industry Baskets

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous close	Change
Construction	2007.2	2010.9	2012.0	2013.0	2017.4	2017.4	2016.9	2020.2	2021.5	2023.6	2010.1	+13.5
Health & H	1055.5	1059.6	1055.6	1061.5	1060.4	1065.0	1065.1	1063.6	1063.1	1062.8	1051.1	+11.5
Water	1510.1	1509.7	1506.4	1508.3	1506.1	1507.6	1507.8	1506.6	1506.5	1507.1	1508.0	-0.9
Banks	1882.4	[illegible]	1860.7	1865.7	1863.0	[illegible]	1868.3	1868.3	1867.9	1868.1	1847.0	+21.1

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The increase in the size of the FT-Actuaries All-Share Index from January 4 1993 means that the FT 500 now contains more stocks. It has been renamed the FT "500". † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.
The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules.

"FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company.

LONDON SHARE SERVICE

BRITISH FUNDS

[illegible]

BRITISH FUNDS - Cont.

[illegible]

BRITISH FUNDS - Cont.

Index-Linked

[illegible]

OTHER FIXED INTEREST

[illegible]

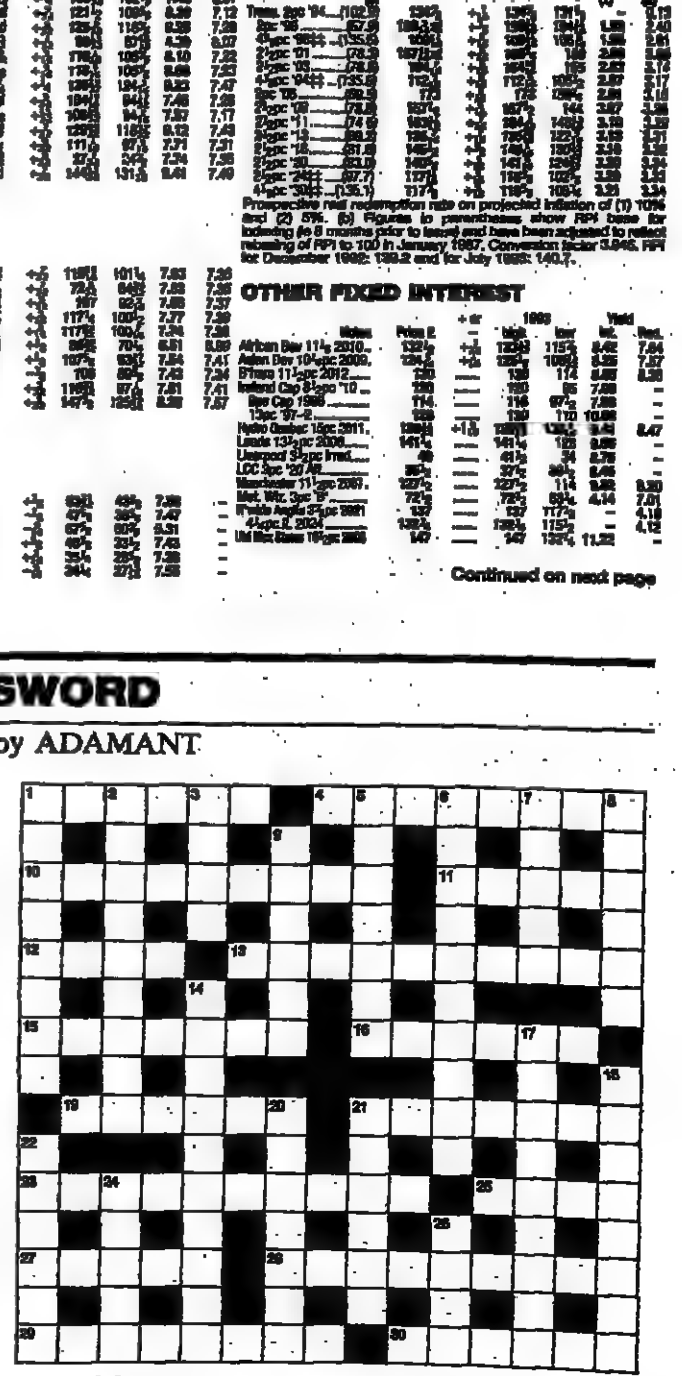
Continued on next page

CROSSWORD

No.8,238 Set by ADAMANT

ACROSS
1 Royal Exchange's hint of recovery (6)
4 Second publisher is fast mover (8)
10 Give authorisation to hold the gold back or the person who underwrites it (9)
11 Search for two pint container of dubious use (5)
12 Leaders of society and industry like to go with the prevailing wind (4)
13 Bonus shares distributed from ICI's purses (5,5)
15 Royal Navy reads about the commissions (7)
16 It used to have value in an African republic (6)
19 Declare return on tax exempt scheme is about right (6)
21 That fool, Edward, made the blood curdle (6)
23 Capital paper, the Independent, formerly provided financial listing (5,5)
25 Responsibility is nothing to students (4)
27 It takes river, such as the Tyne, to be chemically inactive (5)
28 Disparaging the type of cod found round German city (9)
29 The normal procedure is to put up with a retired doctor (8)
30 Shell's growth has price/earnings ratio over tuna (6)

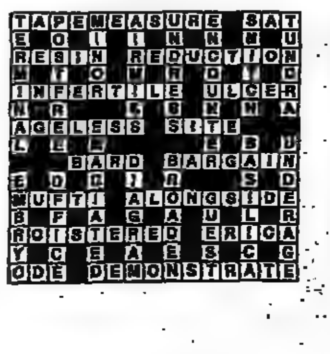
DOWN
1 Record a certain range of voice (6)
2 Used to make a yarn about raids of the men of the Armada (9)
3 Poisonous tree from state in America (4)
5 Leaving the headline (7)
6 One of 2 as a question master (10)
7 Very French square lock (5)
8 Putrid rubbish can make profit up (6)
9 Pillory the merchandise (6)
14 Showing curiosity, but resented it awfully (10)
17 Annex former partner's feeling of strain (9)
18 It's strange to look at what's not even a proper view (3,5)
20 The small bell the botcher left inside (7)
21 Another scare over English batting line-up (6)
22 Makes unexpected discovery that is within sixth sense's parameters (6)
24 The district will include new sportsground (5)
26 He's on about being present (4)



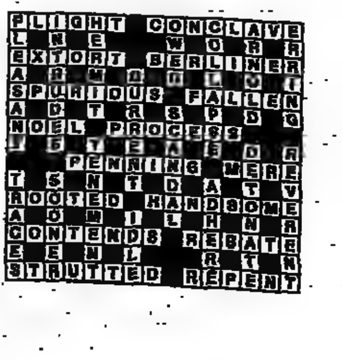
JOTTER PAD

As the result of a production error the Crossword was omitted from some copies of yesterday's paper. We apologise for the error. The solution to Puzzle 8,236 is printed here.

Solution 8,236



Solution 8,237



LONDON SHARE SERVICE

AMERICANS

	Notes	Price $	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's
Abbott Labs		17¼xd	+⅛	20⅞	15⅝	14,498	2.7
Allegheny & W	♥	943p	+14	722p	390p	334.1	3.1
Amdahl		334p	-5	991p	302½p	375.1	1.0
Amer Cyanamid		35	+⅛	39⅝	31¼	3,155	3.3
Amer Express		22xd	+¼	22⅝	14⅞	10,597	3.1
Amer T & T		38⅝xd	-⅛	43¼	33⅛	51,357	2.3
Ameritech		53½	—	56¼	46	23,424	4.7
Anheuser-Busch $		30⅞	+⅛	41⅞	30⅛	6,492	3.0
BankAmerica		30⅜xd	-⅛	30⅛	27⅛	10,732	3.1
Bankers NY		52½xd	+⅛	54⅛	42⅝	4,213	4.0
Bell Atlantic		37½	—	40⅝	32⅛	16,291	4.8
BellSouth		38⅛	—	39⅝	32⅞	17,845	5.2
Bethlehem Steel	♥	9¼xd	+⅛	13⅛	6⅞	837.2	-
Bowater		1337pxd	-7	1952p	1287p	484.5	3.0
CPC		29½xd	+⅛	34⅝	26	4,469	2.9
California Engy		1232p	—	1478p	1099p	224.3	-
Chase Manhattan		22⅛xd	—	24½	17⅛	3,453	3.7
Chrysler		27⅛xd	+½	32⅛	21¼	8,099	1.5
Citicorp		21⅜xd	—	22⅞	13⅜	7,905	-
Colgate-Palm		33⅞xd	+1⅞	48⅛	32	6,418	2.8
Cont'l Bank		1597p	+3	1677p	1276p	1,603	2.5
Dana		36xd	+¼	37⅛	29⅞	1,953	3.0
Data General		610p	+15	981p	527p	186.3	-
Decora Inds	♥	104p	-5	149p	104p	-	-
Dun & Brad		39⅝	+⅛	42⅛	37⅛	7,107	4.1
Eaton		30⅞	+⅛	31⅛	25⅛	2,148	2.6
Echlin		18¼xd	—	20½	15⅛	1,122	2.4
FPL		25⅜xd	-⅛	27⅛	23¼	4,686	6.5
Ford Motor		33⅛xd	+⅛	36½	28⅞	16,259	2.0
Gen Elec		65xd	-⅛	67⅞	53⅛	55,512	2.8
General Host	♥	476p	-4	725p	456p	-	5.0
Gillette		38xd	—	42⅛	31⅞	7,916	1.6
Hasbro		20⅞	—	20⅞	20⅜	1,519	0.8
Honeywell		24¼xd	-⅛	25½	20⅜	3,352	2.4
Houston Inds		30⅛	+⅛	33¼	28¼	3,834	6.8
Ingersoll-Rand		24⅞xd	-¼	25	18⅛	2,484	2.0
Lockheed		41⅛	—	46⅛	35⅛	2,564	3.4
Lowe's		2630p	+1	2748p	1573p	1,925	0.8
[illegible] Technology		317p	+14	330p	127p	-	-
Merrill Lynch		61¼xd	+1⅛	61¼	37	6,284	1.5
Morgan (JP)		48¼xd	+⅛	50⅛	38⅛	6,341	3.3
Morris (Philip)	♣	33⅜xd	-⅛	52⅝	28⅞	20,083	5.3
NYNEX		58½	+⅛	64⅛	52⅛	12,083	5.4
Pall		11⅝	—	15	10⅞	1,348	1.8
Pennzoil		46xd	-⅛	46⅞	31⅞	1,874	4.4
Quaker Oats		48½xd	—	50⅞	38⅞	3,280	2.8
[illegible]		127½p	+2½	225p	101½p	13.4	-
Rockwell		23⅞xd	+⅛	28⅞	18⅛	5,186	2.8

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
Travis Perkins	□	240	-4	247	166	244.6	4.2	43.3
Tudor	♣	28	—	38	28	2.94	1.2	-
Unigroup	□	48	—	78	11½	12.7	-	-
Waterhouse	♣	35	—	38	35	0.86	-	-
Wickes	□	114	—	122	76	240.8	0.2	50.5
Wolseley	♣†□	644	+5	[illegible]	533	[illegible]	2.4	22.3

BUSINESS SERVICES

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
ADT $	♣□	[illegible]	—	675	453	[illegible]	-	-
Adam & Harvey	♣	228	—	228	185	9.76	6.6	4.2
Air London	♣	73	—	92	58	6.47	6.0	9.0
African Lakes		46	—	66	37	3.45	5.1	-
Auto'ted Sec	♣†N□	138	—	178	125	180.9	4.2	28.3
BET	♣N□	121½	+½	136	84	1,136	3.3	4.9
BNB Res		98	—	109	41	23.8	8.2	-
BPP	♣†	311xd	+2	316	256	88.9	3.2	17.2
Barbour Index		220	—	285	185	38.5	4.5	♦
Black & Edg	♣□	1¼	—	1½	0½	0.09	-	-
Boustead	□	24	—	24	15	20.5	3.0	-
Bridgend	♣□	22½	+½	23	12	6.80	2.2	-
Brit Data Mangt	I□	248	+2	250	184	68.3	2.8	20.7
Brit Fittings	□	66	—	80	45	16.2	2.8	-
Brooks Service		65	—	73	54	7.89	-	-
Business Post	I□	181	+1	181	130	85.9	2.3	22.6
CRT	♣□	98	+1	106	68	51.8	3.7	♦
Capita	♣†	180xd	—	181	139½	58.1	1.4	29.7
[illegible]	N□	42½xd	+½	45	31	34.6	2.4	18.3
Chiltern Capital A$		28	—	35	10½	18.6	-	-
Christie Group		46	—	54	28	10.8	-	-
Chubb Security	W□	355	-1	368	228	921.8	1.7	22.8
Comac	♣♣	58	+4	58	18	5.97	2.8	23.2
Corp Servs	♣□	28	—	38	6½	7.73	-	-
Coutts Consulting		47	—	62	29	11.2	-	-
Dart	♣	110	—	110	50	16.8	3.8	14.9
Davis Service	N□	253	-3	258	198	257.3	3.9	19.1
EW Fact	♣	94	—	104	86	5.08	5.7	10.8
Gardiner	†□	31½	—	31½	11	38.8	‡	21.7
Hays	♣†□	248	-4	257	215	801.4	2.3	24.2
Hogg Robinson	N□	241	+1	248	174	188.5	3.4	17.8
Holmes Protect $		35	—	78	35	15.4	-	2.1
Hutch Whmp HK$	♥	192	—	203	127	6,576	2.5	18.3
ISS B DKr		£19¼	—	£20⅛	£9¼	409.9	3.5	2.5
Inchcape	♣N□	654	+9½	667	519	2,603	3.1	19.2
Intl Food Machinery	□	76	+1	86	52	10.8	-	-

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
Acoustic A NV		41	—	63	42	2.38	3.8	18.8
Arlen		27	—	38	13	11.1	-	-
ASEA B Skr	♣	£30⅝	-⅛	£41⅛	£21⅞	946.4	2.0	28.9
BICC	□	[illegible]	+5	[illegible]	319	[illegible]	6.2	78.8
Cap Fin 10¾pc		137½	+1½	147	112½	240.4	7.8	-
[illegible]		240xd	—	285	243	23.9	4.8	♦
[illegible]	□	4¼	—	9	3⅛	4.51	-	-
Bulgin A	□	17¼	—	17½	5½	2.82	1.1	-
Burnfield	♣□	[illegible]	+1	[illegible]	110	56.2	4.6	25.0
Chloride	♣N□	25	—	27¼	11¼	34.8	-	-
Clarke (T)		64	-5	84	54	9.43	8.1	6.2
Critchley Grp	I□	402	—	402	243	47.5	1.3	♦
Dale	♣	107	+1	110	88	14.6	8.8	♦
Delta	♣N□	529	+2	[illegible]	414	782.9	3.3	27.8
Denmans	♣♣†	[illegible]	—	[illegible]	205	18.8	2.1	15.3
Dewhurst A	†	83	—	95	44	3.82	4.5	10.4
Dowding & M	□	82	—	85	48	20.9	5.0	20.4
Electrolux B Skr		£28⅝	-½	£33½	£17½	1,487	2.7	-
Emess	♣□	23½	—	39½	16½	27.8	0.5	-
Ericsson (LM) Skr		[illegible]	[illegible]	[illegible]	£15½	[illegible]	1.1	-
Fujitsu Y	♣	[illegible]	-2	[illegible]	270	[illegible]	0.8	-
[illegible]	♣N	35	—	38	35	1.38	1.7	11.7
Jones Stroud		[illegible]	—	[illegible]	320	67.0	3.0	♦
Johnson El HK$	♥	[illegible]	—	[illegible]	120	628.2	1.3	22.2
[illegible]	♣	18½	—	19	8	4.42	1.3	-
Kenwood	W□	325	+1	325	288	119.3	3.0	18.2
LPA Inds	♣	54	—	55	44	4.51	8.1	16.2
Luc Refrig		279	—	[illegible]	240	18.8	4.1	-
Maddox	□	4¼	—	16¼	3¼	18.9	-	23.2
[illegible]	♣	627xd	+3	[illegible]	527	[illegible]	2.2	♦
Mitsub Elect Y	†	[illegible]	—	[illegible]	241	[illegible]	1.8	♦
Motorola $		[illegible]	+⅛	[illegible]	[illegible]	[illegible]	0.5	-
NEC Y	♣	[illegible]	-4	[illegible]	317	9,775	1.0	♦
Neutronics	♣	138	—	[illegible]	135	34.7	2.4	17.4
Nokia Pf FM		[illegible]	—	[illegible]	1016	[illegible]	2.0	-
Oxford Inst	□	[illegible]	-1	285	185	132.2	2.8	19.5
Philips Fl		£12⅛	+⅛	[illegible]	£7¼	4,114	-	-
Philips Fin 6¼pc		[illegible]	—	[illegible]	190	12.2	6.1	-
Pifco		[illegible]	+1	[illegible]	343	[illegible]	1.8	♦
A		[illegible]	+1	[illegible]	[illegible]	[illegible]	1.9	♦
Scholes	♣	155	—	[illegible]	117	[illegible]	4.0	30.5
Sony Y	♣	[illegible]	+⅞	[illegible]	£21½	[illegible]	2.2	♦
Silvermines IE	□	39	—	42	28	12.7	3.2	-
TDK Y		[illegible]	+⅛	[illegible]	£17⅛	[illegible]	1.3	28.5
Thorpe (FW)		[illegible]	+1	111	98	13.7	2.9	10.9
Toshiba Y		432	—	[illegible]	312	[illegible]	1.5	63.3
Unidare IE	♣	[illegible]	—	[illegible]	275½	72.1	5.2	12.2
Volex		[illegible]	—	[illegible]	[illegible]	122.2	4.6	19.0

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
[illegible]	♣□	32	+1	32	20	40.6	3.1	21.5
[illegible]	□	[illegible]	—	[illegible]	64½	246.5	3.2	♦
IMI	♣N□	[illegible]	—	[illegible]	247	979.5	4.2	25.8
Jones & Shipman		27	—	32	10	3.28	-	-
[illegible]		[illegible]	—	[illegible]	[illegible]	270.5	1.9	12.7
Locker (T)	♣	22	—	23½	18	2.20	8.7	32.0
A		21	—	22½	15	6.90	8.0	30.6
MS Intl	♣N□	41	—	45	27	11.1	7.8	42.2
Meggitt	♣N□	112	—	114	80	241.8	4.2	19.1
Metalrax	♣N□	120	—	126	60	97.9	3.6	18.4
Min & Allied	♣□	23½	—	25	14	7.84	2.7	-
Molins	♣□	[illegible]	+15	[illegible]	[illegible]	[illegible]	3.6	12.6
Neepsend	□	26xd	—	31	19	9.74	3.3	37.6
PCT	♣	128	—	148	123	8.76	7.1	14.5
[illegible]	♣♣	76	—	98	63	3.82	8.6	6.5
Powerscreen	♣□	[illegible]	+1	370	306	310.3	2.3	18.7
Prospect Inds	I□	17½	—	28	16½	28.6	5.4	6.6
Protean	♣N	[illegible]	—	[illegible]	160	46.1	2.4	17.6
Quadramatic	♣N□	164	—	174	127	48.6	3.7	15.8
Ransomes	□	18	—	32	16	10.2	-	-
8¼p Pf		45	—	77	41	25.5	22.9	-
Record	□	74	—	77	60	34.6	6.3	30.4
Renold	N□	98	—	98	85	68.2	1.4	-
Richardson West	†	98	—	98	60	38.1	4.3	22.2
Rotork	♣†N□	175	—	182	131½	151.6	2.7	20.3
SEP Ind	N□	[illegible]	+½	28	15	18.3	3.6	24.5
SKF Skr		[illegible]	-⅛	[illegible]	[illegible]	581.7	-	-
Senior	♣N□	116	—	119½	77	278.6	3.4	19.4
Siebe	N□	[illegible]	-12	[illegible]	427	[illegible]	2.3	19.8
Simon	□	68	—	142	32	50.4	9.5	15.1
600 Group	♣N□	39	—	47	36	30.6	6.8	-
Spirax-Sarco	♣N□	370	—	375	314	282.1	3.1	23.5
Sterling Inds	N	161	—	162	128	46.1	4.3	24.7
Sykes-Pick	♣	64	—	76	53	5.92	7.8	12.2
[illegible]	♣N	275	—	276	246	22.4	4.3	18.3
TI Group	♣†N□	[illegible]	+3	[illegible]	278	[illegible]	3.7	24.5
Torday Carlisle		25	+3	38	20	4.02	-	-
TransTec	♣	[illegible]	-1	[illegible]	346	60.5	4.4	16.4
VSEL	N□	[illegible]	-2	[illegible]	613	[illegible]	4.1	9.4
[illegible] Intl	□	8½	—	9½	6¼	11.0	-	-
Vickers	♣N□	149½	-2½	164	95½	437.8	1.3	-
Victaulic	♣□	[illegible]	—	287	249	190.2	3.3	14.6
Vortex Energy Sys		21	+1½	35½	16	0.75	-	-
Vosper Thorn	♣N□	[illegible]	—	[illegible]	427	[illegible]	3.9	16.0
WB Inds		[illegible]	—	[illegible]	10	0.64	-	-
[illegible] Ind	♣N	[illegible]	—	[illegible]	[illegible]	181.2	6.3	18.0
Weir	N□	[illegible]	-1	[illegible]	[illegible]	[illegible]	2.1	19.7
Wellman	□	[illegible]	—	23½	19	8.44	5.6	32.8
Whessoe		[illegible]	—	[illegible]	[illegible]	[illegible]	3.5	11.0

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
Jurys Hotel IE		[illegible]	[illegible]	[illegible]	97	29.9	6.2	♦
Kunick	□	11½	—	12¼	6¼	27.7	-	-
5¼pc Cv Pf		[illegible]	—	96	93	39.4	11.3	-
Ladbroke	□	[illegible]	-1	[illegible]	154	2,373	6.7	17.3
[illegible]		[illegible]	—	[illegible]	63	5.60	0.1	15.9
Man Utd	□	[illegible]	—	[illegible]	327	[illegible]	4.7	18.5
Mandarin Orient $		70	+1	73	50	478.4	4.6	17.6
Millwall	♣□	4	-¼	[illegible]	2	11.3	-	-
Owners Abrd	†□	79	—	147	69	128.9	5.6	6.2
[illegible] Cv Pf		107½xd	—	[illegible]	120	44.4	7.7	-
Pelican	♣♣□	70	+1	78	33	20.2	2.0	♦
Prism Leis	♣	[illegible]	—	[illegible]	35	18.9	3.0	12.5
Quadrant	□	[illegible]	—	30	15	7.82	-	-
Queens Moat	†	[illegible]	—	[illegible]	44	[illegible]	7.8	6.1
7pc Cv Pf		[illegible]	—	128	101	27.1	9.4	-
7¼pc Cv Pf		[illegible]	—	[illegible]	83	[illegible]	11.0	-
Ramsden's (H)	♣	176	-7	[illegible]	132	18.6	8.2	29.2
Rank Org	♣□	[illegible]	-6	[illegible]	[illegible]	[illegible]	5.1	20.8
8¼p Cv Pf		131½	—	[illegible]	[illegible]	[illegible]	7.5	-
Regal Hotel	♣□	1¼	—	2¼	0¼	3.60	-	-
Resort Hotels		[illegible]	—	[illegible]	28	40.6	9.6	8.5
Ryan Hotels IE	♣□	[illegible]	—	24	11½	16.8	6.1	-
Savoy A		840	—	[illegible]	700	240.2	1.0	-
Sleepy Kids	♣	30½	-½	[illegible]	14	9.83	-	-
Stakis	♣□	[illegible]	+1	[illegible]	34½	247.5	0.9	-
Stanley Leis	□	[illegible]	+4	[illegible]	185	116.5	2.1	20.4
Sunleigh	♣□	8½	+1	10	5½	7.82	-	-
Surrey	♣□	2¼	—	3	2	2.92	-	♦
[illegible]		[illegible]	—	[illegible]	[illegible]	[illegible]	0.4	♦
Thorn EMI	N□	[illegible]	+4	[illegible]	[illegible]	[illegible]	4.1	20.0
Ticketing Gp	♣□	2½	—	3¼	1	21.1	-	-
Tomorrows Leis	♣	17	—	32	16	2.85	10.1	5.4
Tottenham	♣	[illegible]	—	117	84	15.2	-	3.1
Vardon	□	[illegible]	-1	101	82	72.4	4.9	28.4
Verity	□	6½	—	11½	6	12.0	-	-
Wembley	♣□	17	+1½	22	11	43.8	1.6	-
Whitegate	♣□	42	—	48	7½	12.2	-	-
Zetters		114xd	-1	[illegible]	93	7.48	8.6	♦

INSURANCE BROKERS

	Notes	Price	+ or -	1993 High	low	Mkt Cap£m	Yld Gr's	P/E
Alex & Alex $		[illegible]	-⅛	[illegible]	[illegible]	627.3	4.1	-
11pc Cv $		[illegible]	—	[illegible]	645	150.6	10.8	-
Archer (AJ)	♣♣	40	—	46	30	12.4	‡	29.5
Berry Birch	♣♣	[illegible]	—	[illegible]	133	11.6	[illegible]	13.1

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1993 High	low	Yld Gr's	NAV	Dis or Pm(-)
Warrants		21	—	23	11½	-	-	-
Fleming I & C Inc	♣F□	82½	—	85	70	7.2	84.7	2.8
Units	F□	[illegible]	—	[illegible]	111	4.8	119.5	[illegible]
Zero Div Pf		49¼	—	49¼	40¾	-	-	-
Fleming Int High	♣□	37	—	38	24½	12.1	46.0	19.6
Zero Div Pf		95¼	—	97	88½	-	-	-
Fleming Japan	♣□	237	+1	239	138	0.2	245.8	3.8
Warrants	□	111	—	124	28	-	-	-
Fleming Merc	♣□	284	+2	287	230	3.0	328.0	13.6
Fleming O'seas	♣□	288	+1	292	212	1.7	327.8	11.9
Foreign & Col	♣♣□	251xd	—	255	207	1.7	258.5	3.0
For & Col Ent	♣□	61½	—	62	44	0.9	67.6	9.0
For & Col Eurot	♣□	213	—	214	184	0.7	203.8	-4.5
For & Col German	♣□	123	+1	123	87	0.6	132.2	7.5
Warrants		45	-1	44	14	-	-	-
For & Col High	♣□	74	—	75	61	4.2	76.5	3.9
For & Col Pac	♣□	297	-1	319	191	0.6	313.1	5.2
Warrants		226	-1	237	113	-	-	-
For & Col PEP	F□	117	—	118	103	3.6	116.2	0.2
For & Col Small	♣□	[illegible]	-½	[illegible]	116	1.4	157.2	-1.5
For & Col US Smlr	□	[illegible]	—	111	95	-	102.3	[illegible]
Warrants		51	-1	53	30	-	-	-
French Prop		75	—	78	52½	3.6	84.0	10.1
Warrants		16	—	20	4	-	-	-
Fulcrum Inc	♣♣	[illegible]	—	[illegible]	45	20.6	-	-
Cap	□	20	—	[illegible]	5	-	57.9	[illegible]
Zero Div Pf		[illegible]	—	137	112½	-	-	-

INVESTMENT TRUSTS - Cont.

MERCHANT BANKS

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
Barings 8pc Cm 2nd Prf		112½	+½	112½	93	14.1	8.9	–
9¼pc Non-Cum Prf		133½	–½	134¼	113	83.4	[illegible]	–
Close Bros	gt	418	—	415	250	189.8	2.9	18.2
Hambros	□	371	–1	389	243	649.5	4.7	17.1
7½pc Cv Pf		159	—	164	111½	238.5	5.9	–
Joseph (L)		383	—	383	313	19.0	[illegible]	–
Kleinwort Benson	†□	504xd	–2	586	312	666.2	4.0	17.5
Rea Bros	†□	52	—	54	39	20.4	1.2	56.0
Schroders	h	1195	—	1196	487½	1,201	1.3	23.8
N/V	h	1120	—	1125	387½	313.8	1.2	22.3
Singer & Fried	□	78	—	88	48	152.0	[illegible]	–
Warburg (SG)	N□	798	–1	873	529	1,715	3.0	20.1
8pc Cv Pf		282	—	286	185	120.0	2.7	–
Wintrust		280xd	—	280	188	23.7	4.2	25.0

METALS & METAL FORMING

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
ASW	N□	233	—	236	81	169.9	3.2	–
Apollo Metals	†	104	—	120	84	17.7	4.1	19.0
Ash & Lacy		155	+3	170	143	40.5	5.2	15.9
Billam (J)		283	+2	312	128	4.18	2.5	12.8
Brit Steel	N□	114	+2	118	54	2,280	1.1	–
CI	□	23	–1	28	17	18.8	5.4	22.1
Castings		204	—	208	158	43.0	2.7	14.4
Chamber & Hill		160	—	169	113	11.7	4.9	10.0
Cohen (A)		308	—	400	[illegible]	[illegible]	2.8	♦
Cook (Wm)	□	223xd	–3	227	120	48.6	2.8	13.5
Cooper (F)	‡□	74	–4	78	43	28.3	‡	–
Ferraris	†p	83	—	*88	32	3.18	2.4	12.4
Firth (GM)	□	9½	—	16½	8	3.20	–	–
GBE Intl	†	78	—	78	63	42.2	3.5	–
Barton		97	—	98	79	3.69	5.2	–
Glynwed Intl	□	310	+2	318	245	638.6	4.8	26.8
Goodwin		38	—	38	28	2.74	2.2	10.7
Johnson & Firth	□	42	—	64	36½	59.8	8.9	13.0
Johnson Matthey	N□	484	–1	537	425	916.7	2.7	21.2
Kobe Steel Y		207	—	226	147	5,699	1.9	♦
Lionsed		121	—	128	76	14.5	3.9	18.7
Manganese Bze	†	101	—	108	71	16.6	1.9	–
Metsec		83	—	83	70	12.6	–	–
Morris Ashby		176	–7	184	134	14.3	3.9	13.3
Radiant Metal		80	—	86	73	1.09	–	–
Richards Grp		69	—	69	58	5.70	8.1	–
Saville Gordon	□	51	—	52	39	51.0	5.6	♦
Simsmetal		157	—	161	87	113.0	2.9	23.7
Sycamore	□	4¼	—	*7	4	5.52	–	–
Thyssen DM		1673	+23	1795	1379	523.8	2.2	–
Tinsley (Eliza)		94	—	109	70	6.85	7.2	♦
Triplex Lloyd	□	174	—	*190	159½	172.2	5.0	♦
Utd Industries	N	15	—	24½	8	6.09	–	–

MISCELLANEOUS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIALS

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

INVESTMENT COMPANIES

MEDIA

MOTORS

OIL & GAS

PACKAGING, PAPER & PRINTING

STORES

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm –) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- Unregulated collective investment scheme

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue
r Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield includes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p.e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
E Auction basis.
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IMRO "Headline Earnings" draft proposals.
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (✓) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

Life Assurance and Unit Trust Regulatory Organisation.
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

State Street Unit Trust Mngmt Ltd (1400)F

Stewart Ivory Unit Tst Mgrs Ltd (1200)H

Sun Alliance Unit Tst Mngmt Ltd (1200)F

Sun Life of Canada Unit Mgrs Ltd (1000)H

Sun Life Trust Mngmt Ltd (1200)H

Swiss Life Unit Tst Man Co Ltd (1200)F

TSB Unit Trusts (1200)F

T.U. Fund Managers Limited (1200)H

Templeton Unit Trust Managers Ltd (1200)F

Thornton Unit Managers Ltd (1200)F

UBS Sitzerbead Inv Mngrs Ltd (1200)F

For Unified Charities see Fanney Inv Mngs

Waverley Unit Tst Mngmt Ltd (1000)F

Whittingdale Unit Tst Mngmt Ltd (0830)F

Woolwich Unit Trust Managers Ltd (1700)H

Lazard Investors Ltd ‡

	Bid Price	Offer Price	+ or -	Yield Gross
Exempt Funds				
Small Co's Aug 18	£6345.3	9553.8	—	2.39
European Aug 18	£764.2	771.9xd	—	1.43
American Aug 18	£439.1	440.3	—	1.45
Japan Aug 18	£642.5	650.8	—	0.46
Pacific Aug 18	£208.4	216.0	—	0.83
Midland Gth Jul 30	£128.80	148.70	—	3.7

Local Authorities Mutual Invest. Tst.*

2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	+ or -	Yield Gross
Property Jul 31	178.50	182.15	—	8.74
Equity Jul 31	1062.10	1058.70	—	2.94

* Available only to Local Authorities

M & G Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Charibond Gt		116.91xd		8.22
(Accum Units)		821.22	+0.2	8.22
WAACIP (z)		48.60xd		7.1

Martin Jupiter Unit Trust Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Martin Jupiter Exempt Trust				
UK Equity	£13.62	13.87	—	

Morgan Grenfell Investment Funds Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Exempt Funds				
UK Equity † Aug 24	177.8	182.6	+2.00	2.39
UK Small Co † Aug 24	834.3	850.7	-14.80	2.87
Fund Interest † Aug 24	126.8	129.7	-0.30	6.79
Intl Bond Aug 24	149.0	150.4	-0.50	7.62

Morgan Stanley International

	Bid Price	Offer Price	+ or -	Yield Gross
UK Exempt NAV	£1409.90		—	—
Overseas Exempt NAV	£1390.75		—	—

Murray Johnstone UT Mngmt

	Bid Price	Offer Price	+ or -	Yield Gross
Murray Exempt Funds				
American Exempt	85.48	88.04xd	+0.23	1.30
European Exempt	58.07	59.87xd	-0.08	2.05
Fixed Int Ex Aug 19	53.84	54.17		7.77
Japan Exempt	62.80	64.84	+0.23	0.85
Managed Ex Aug 19	57.54	59.08		2.95
SE Asia Exempt	119.40	124.80	-0.20	1.83
Smr Coz Expt Aug 19	44.88	47.89		2.79
UK Eqty Ex Aug 19	48.40	50.30xd		3.68

PDFM Unit Managers Ltd

Rothschild Asset Management

	Bid Price	Offer Price	+ or -	Yield Gross
NC Property		144.84	—	

J. Rothschild Fund Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Intl Exempt Accum	188.4	191.6	+1.6	1.58

Stewart Ivory & Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Sarra PPP Aug 14	403.8	420.0	—	

Closed to new business

Thornton Unit Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Exempt Aug 18	127.88	131.54xd	—	2.73
(Accum Units)	142.74	146.84xd	—	2.73

INSURANCES

AXA Equity & Law Life Assce

Abbey Life Assurance Co Ltd

Abbey National Life Plc

Access Life Assurance Ltd

AEGON Life Assurance Co (UK) Ltd

Albany Life Assurance Co Ltd

Allied Dunbar Assurance Plc

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

Baring Investment Mngmt Ltd

CAF - Charity Money Management

James Capel Fund Managers Ltd

Cent. Bd. of Fin. of Church of England§

Charinco/Charishare† (1000)F

COIF—Charities Official Inv Fd§

Charity Fixed Int Fd/Charity Equity Fd

Edinburgh Fund Mngs PLC

Fidelity Investment Services Ltd

Fledgeling Charity Portfolio

Robert Fleming Asset Mngmt Ltd

Foreign & Colonial Unit Management Ltd

Funds in Court*

Gevett (John) Unit Mngmt Ltd

Henderson Unit Trust Management Ltd

INVESCO Asset Management Ltd

Lazard Brothers & Co. Ltd

Allied Dunbar Assurance Plc - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Pension Funds				
F.I.Dep.Acc.	771.1	811.7	+0.2	-
Prop. Acc	1092.0	1749.5	+0.5	-
Man. Acc	2451.7	2580.8	+12.7	-
Gilt Edg. Acc	809.4	852.1	+0.4	-
Eq Acc	3058.0	3220.0	+16.7	-
Am. Eq Acc	328.1	345.4	+5.3	-
Far East Acc	410.8	432.5	+3.2	-
Euro. Acc	50.2	52.9	-0.8	-

American Life Insurance Co UK

2-8 Altyre Road, Croydon CR9 2LA 081-680 6000

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds (Accumulation Units)				
Premier Managed	198.3	208.7	-0.8	-
Alpha Managed	130.0	137.0	-0.5	-
HICA Managed	129.8	136.4	-1.5	-
Pension Funds (Accumulation Units)				
Premier Managed	249.4	262.6	-0.9	-
Alpha Managed	145.8	153.6	-0.6	-

Barclays Life Assur. Co Ltd

252 Romford Road, London E7 081-534 5544

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Barclaybond	580.0	621.1	+0.7	-
Equity Accum	788.2	829.7	—	-
Enterprise Accum	122.5	129.0		-
Gilt-edged Accum	381.9	402.1	+0.2	-
International Accum	373.8	393.6	+0.6	-
Managed Accum	489.3	515.1	+0.5	-
Money Accum	279.4	294.2	—	-
Property Accum	247.7	260.8		-
American Accum	275.8	290.4	+1.3	-
Australia Accum	188.4	198.3	-2.1	-
Financial Accum	298.6	314.3	-0.1	-
"500" Accum	412.5	434.3	+0.4	-
Japan & Gen Accum	375.2	395.0	+1.9	-
Income Accum	495.0	521.1	+0.4	-
Universal Tec Accum	143.4	151.0	+0.2	-
Leisure Accum	208.1	217.0	+0.5	-
Spec Sits Fd Accum	217.8	229.3	+0.2	-
European Grwth Accum	242.0	254.8	-0.1	-
Smaller Co's Accum	122.9	129.4	+0.1	-
Pension Funds				
Equity Pns Accum	345.5	363.7	+0.2	-
Enterprise Accum	145.2	152.8		-
Gilt-edged Pns Accum	629.4	662.6	+0.1	-
Intnl Pns Accum	199.2	209.7	+0.5	-
Managed Pns Accum	792.2	833.9	+0.8	-
Sec Grwth Pens Accum	507.1	533.8	-0.3	-
Property Pns Accum	197.6	208.0		-
America Pens Accum	175.3	184.6	+0.9	-
Australia Pens Accum	115.8	121.7	-1.4	-
Financial Pens Accum	122.0	128.5		-
"500" Pens Accum	146.0	153.7	+0.1	-
Japan & Gen Pens Accum	80.2	83.9	+0.4	-
Income Pens Accum	171.4	180.5	+0.1	-
Universal Tech Pens Accum	129.0	135.8	+0.2	-
Leisure Pens Accum	104.2	109.7	+0.2	-
Special Sits Pens Accum	141.4	148.9	+0.1	-
European Grth Pens Accum	197.0	207.4	-0.2	-
Smaller Cos Pens Accum	114.9	121.0	+0.1	-
Deposit Pens Accum			—	3.8

Black Horse Life Assurance

Mountbatten Hse, Chatham, Kent. 0634 834000

Britannia Life Assurance

50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Britannia Life Ltd

50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Canada Life Group

High St, Potters Bar, Herts. EN6 5BA 0707 651122

Cannon Assurance Ltd (z)

1 Olympic Way, Wembley HA9 0NB 081-902 8876

Century Life Plc

5 Old Bailey, London EC4M 7BA 071-332 5000

Citibank Life

Perrymount Road, Haywards Heath 0444 414111

City of Westminster Assurance (z)

PO Box 459, 500 Avebury Blvd, Milton Keynes

	Bid Price	Offer Price	+ or -	Yield Gross
Current Series				
Property Fund	176.8	180.2	—	-
Secure Gwth Fund	381.4	380.5		-
Managed Fund	577.6	608.3	-3.8	-
Equity Fund	326.4	343.6	-2.7	-
Pension Managed Fund	672.2	707.6	-3.3	-
Pension Equity Fund	334.8	352.6	-2.5	-
Pens Adventurous Mngd	279.2	293.9	-1.3	-
Pensions Balanced Mngd	284.1	299.1	-1.5	-
Pens Conservative Mngd	245.1	258.0	-0.9	-
Adventurous Mngd Fd	189.8	199.8	-0.8	-
Balanced Mngd Fd	220.7	238.7	-1.5	-
Conservative Mngd Fd	235.3	247.7	-1.2	-

Clerical Medical/Fidelity Investments

Narrow Plain, Bristol BS2 0JH 0272 290566

	Bid Price	Offer Price	+ or -	Yield Gross
Investment Funds				
Ruby	157.5	165.8	+0.1	-
Sapphire/Mixed	270.3	284.6	+1.2	-
Emerald	140.8	148.3	+0.1	-
Equity	306.1	322.3	+1.0	-
Property	183.0	193.0	+0.1	-
Gilt & Fixed Interest	207.1	218.0	+0.2	-
Indexed Securities	164.0	172.7	+0.2	-
Cash	179.5	189.0		-
North American	207.6	218.5	+2.9	-
Far East	270.5	284.8	-0.3	-
International	221.1	232.8	+2.4	-
Special Situations	305.2	321.3	+8.0	-
International Income	276.0	290.6	+1.2	-
American Income	182.1	191.7	+2.0	-
European	275.7	290.3	+1.4	-
South East Asia Fund	292.7	308.2	+1.2	-
Japan Fund	157.9	166.3	+2.9	-
Evergreen	118.7	125.0	+1.1	-
Polished Performance Bond	99.8	105.2	+0.4	-
With Profits Reg	150.0	157.9	+0.1	-
With Profits Spec	150.0	157.9	+0.1	-
Flexible Retirement Plan				
Mixed	298.9	315.7	+2.2	-
Equity	352.8	371.4	+3.2	-
Property	174.2	183.4	+0.1	-
Gilt & Fixed Interest	251.3	264.8	+0.1	-
Indexed Linked	173.2	182.4	+0.1	-
Cash	235.8	248.3	+0.1	-
North American	260.5	274.3	+4.3	-
Far East	324.2	341.3	+2.5	-
International	278.4	293.1	+2.5	-
Special Situations	449.8	473.5	+3.4	-
European	378.8	398.8	+2.4	-
Executive Investment Pension Plan				
Cash Fd	289.3	305.0	[illegible]	-
Mixed Fd	424.3	447.3	[illegible]	-
Fixed Int. Fd	320.4	337.3	[illegible]	-
UK Equity Fd	555.4	584.7	[illegible]	-
Property Fd	208.0	218.9	[illegible]	-
Overseas Fd	308.5	324.8	[illegible]	-
Index Linked Fd	189.9	199.9	[illegible]	-
Stock Ex. Fd	354.7	373.4	[illegible]	-
North Am Fd	269.8	283.8	[illegible]	-
Far East Fd	280.5	309.0	[illegible]	-
Special Sits Fd	436.5	459.5	[illegible]	-
Europe Fd	376.0	395.8	[illegible]	-

Prices on Aug 11 Unit dealings on Wednesday

Clerical Medical Investment Group

Narrow Plain, Bristol BS2 0JH 0272-290566

Colonial Mutual Group

Chatham Maritime, Kent ME4 4YY 0634 890000

Combined Life Assurance Co

15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA. 081-546 7733

Commercial Union Group

St Helen's, 1 Undershaft, London EC3 071-283 7500

Consolidated Life Assurance Co Ltd

Paradise Rd, Richmond, Surrey TW9 1SD 081-940 8343

Crown Financial Management Ltd

Crown Hse, Woking GU21 1XW 0483 715033

Eagle Star Life Assurance Co Ltd

Bath Road, Cheltenham GL53 7LQ 0242 221 311

Eagle Star Insur/Midland Assur.

60 St. Mary Axe, London EC3 071-929 1111

Equitable Life Assurance Society

Walton St, Aylesbury Bucks HP21 7QW 0296 393100

Eurolife Assurance Company Ltd

Eurolife Hse, 16 St John St, EC1M 4AY 071-454 0105

Family Assurance Society

17 West St, Brighton BN1 2RL 0273 724570

Friends Provident

Castle Street, Salisbury, Wilts SP1 3SH. 0722 413366

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed (Mixed)	288.9	302.0	+0.7	-
UK Equity	383.6	404.0	+0.8	-
Stewardship	329.0	345.1	-0.4	-
Overseas Equity	256.1	270.2	+1.0	-
North American	140.6	148.1	-0.9	-
Pacific Basin	145.0	152.7	+0.2	-
European	187.1	196.8	-0.1	-
Property	186.8	196.7		-
Fixed Interest	228.0	240.1	+0.3	-
Index Linked	163.1	171.7	+0.1	-
Cash	192.0	202.2	+0.1	-
Deposit	130.1	137.0		-
With Profit	165.8	174.7		-
With Profit Ser 2	109.6	115.4	+0.1	-
Gtd Eq Bnd		100.0		-
Gtd Eq Bnd & Lockin		100.0		-
Pension Funds (Accum Units)				
Managed (Mixed)	369.5	389.0	+0.8	-
UK Equity	452.6	478.5	+1.2	-
Stewardship	548.0	577.8	-1.8	-
Overseas Equity	307.5	323.7	+0.8	-
North American	152.7	160.8	+1.2	-
Pacific Basin	151.5	159.5	+0.2	-
European	175.4	184.7	-0.1	-
Property	199.9	210.5		-
Fixed Interest	319.1	335.9	+0.4	-
Index Linked	185.7	195.5	-0.7	-
Cash	269.3	283.5		-
Deposit	163.4	172.0	+0.1	-
With Profits	199.8	210.6		-
UK Provident Funds				
Managed	207.7	218.6	+0.3	-
Pens Managed	232.9	245.1	+0.6	-

GT Unit Managers Ltd

125 London Wall, London EC2Y 5AS 071-710 4567

	Bid Price	Offer Price	+ or -	Yield Gross
GT Plan Far East Fnd	329.2	346.8	+3.7	-
GT Pln Wrldwde Fnd	492.7	518.7	+3.5	-
GT Pen Far East Fd	550.1	579.1	+6.0	-
GT Pen Worldwide Fd	635.4	668.4	+4.7	-

General Accident

2 Rougier Street, York YO1 1HR 0904 628982

General Portfolio Life Insce Plc

General Portfolio House, Harlow Essex 0279 626262

Assicurazioni GENERALI SpA

117 Fenchurch St, London EC3M 5DY 071-488 0733

Growth & Sec. Life Assce. Soc. Ltd

Weir Bank, Bray-on-Thames, Berks 0444 413307

Guardian Royal Exchange

Royal Exchange EC3 071-283 7101

Hearts of Oak Insurance Group

Hearts of Oak House, 9 Princess Rd West, Leicester LE1 6TH 0533 549010

Henderson Administration(z)

3 Finsbury Ave, London EC2M 2PA 071-638 5757

Hill Samuel Life Assur. Ltd

NLA Tower, Addiscombe Rd, Croydon 081-686 4355

Homeowners Friendly Society

PO Box 94, Springfield Ave, Harrogate. 0423 567355

Ideal Insurance Co Ltd

Moor Green Lane, Birmingham B13 8NG 021-449 4101

Interlife Assurance Co Ltd

149-151 High Rd, Chadwell Hth RM6 6PJ 081-597 7986

Irish Life Assurance Co Plc

Victoria St, St. Albans, Herts, AL1 3TF 0727 848181

	Bid Price	Offer Price	+ or -	Yield Gross
Global Mngd Ser 3	519.3	546.6	-0.8	-
Global Equity Ser 3	551.4	580.4	-1.5	-
Global Fxd Int Ser 3	507.6	534.3	+0.8	-
Global Prop Ser 3	256.7	270.2		-
Global Cash Ser 3	204.9	215.7	+0.1	-
Global Mngd Ser 4	139.0	146.3	-0.2	-
Global Equity Ser 4	136.9	144.1	-0.4	-
Global Fxd Int Ser 4	150.0	157.9	+0.2	-

Lancashire & Yorkshire Assce Society

Moorgate Hall, Moorgate Rd, Rotherham 0709-828101

Laurentian Life plc

Barnwood, Gloucester GL4 7RZ 0452 371371

Legal & General

Liberty Life Assurance Co Ltd

Station Rd, New Barnet 081-440 8210

Life Association of Scotland

113 Dundas St, Edinburgh EH3 5EB 031-550 5000

Lifetime Assurance Co Ltd

Bank Hse, St John's Rd, Harrow HA1 2EE

London Life

100 Temple St, Bristol BS1 6EA 0272-279179

London & Manchester Assurance (z)

Winslade Pk, Exeter EX5 1DS

M & G Life and M & G Pensions

Victoria Road, Chelmsford, CM1 1FB 0245 266266

MGM Assurance (z)

MGM House, Heene Rd, Worthing 0903 204631

	Bid Price	Offer Price	+ or -	Yield Gross
Bonus Growth Acc	157.2	165.1		-
Deposit Acc	205.5	216.4		-
European Acc	143.7	151.3	+1.0	-
Fixed Interest Acc	401.2	421.5	+0.5	-
Intl Equity Acc	127.8	134.8	+0.9	-
Lazard Managed Acc	118.2	124.5	+0.5	-
Managed Acc	314.1	330.7	+0.9	-
North American Acc	240.4	253.1	+0.8	-
Pacific Basin Acc	482.0	507.4	-3.8	-
Property Acc	206.5	217.4		-
Special Sits Acc	121.9	128.4	-0.1	-
UK Equity Acc	290.2	311.8	+0.3	-
With Profits Bond		191.7		-

Manchester Unity Assurance

40 Fountain Street, Manchester M2 2AB 061-832 9361

Manulife Group

St George's Way, Stevenage

Merchant Investors Assurance Co Ltd

Mercury Life Assurance Co Ltd

33 King William St, London EC4R 9AS 071-280 2800

Midland Life Limited

NM Life Assurance Ltd

N & P Life Assurance Ltd

NPI

48 Gracechurch St, London EC3P 3HH 071-623 4200

National Mutual Life

The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

National Westminster Life Assce Ltd

Norwich Union Life Insurance Soc.

Surrey Street, Norwich NR1 3NG 0603 622200

Norwich Union Life Insurance Soc. - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Ex NUAM (NF)				
Managed Fund	1325.6	1411.2	+6.7	-
Equity Fund	2841.4	2990.9	+14.9	-
International Fund	221.7	233.4	+1.4	-
Property Fund	455.4	479.4	+0.1	-
Fixed Interest Fund	589.2	619.2	+1.6	-
Index Linked Sec. Fund	82.8	87.2		-
Deposit Fund	332.4	349.9		-

Norwich Union Pensions Management Ltd

Surrey Street, Norwich, NR1 3NG 0603 683335

	Bid Price	Offer Price	+ or -	Yield Gross
Group Pooled Pensions				
Balanced Managed Fd	418.20	422.30	-0.56	0.00
Growth Managed Fd	139.10	141.40	-0.27	0.00
Secured Managed Fd	137.13	138.80	-0.17	0.00

Prices as at August 20

Pearl Assurance (Unit Funds) Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd (z)

Prolific Life & Pensions Ltd

Prosperity Life Assurance Ltd

Providence Capitol Life Assce. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 071-405 9222

Profund	Bid Price	Offer Price	+ or -	Yield Gross
Managed Aug 18	316.9	330.2	—	–

Prudential Corporate Pension Funds
55 King's Road, Reading RG1 3AH 0734 494852

Prudential Managed Funds	Bid Price	Offer Price	+ or -	Yield Gross
Discretionary Aug 18	£247.19	254.30	+4.12	–
Equity Aug 18	£276.88	286.60	+5.53	–
International Aug 18	£42.23	43.25	+0.86	–
Intl Bond Aug 18	£21.29	21.85	-0.07	–
Fixed Int Aug 18	£131.59	133.87	+1.46	–
Index Linked Aug 18	£94.72	83.74	+0.09	–
Property Aug 18	£111.47	117.81	+0.27	–
Cash Aug 18	£33.78	33.78	+0.04	–
Pru-Linked Retirement Plan				
Managed Aug 18	574.70	598.70	+9.70	–
Cash Aug 18	305.90	318.60	+0.20	–
Prudential Pensions Investment Account				
Pens Mngd	231.90	249.30	-1.50	–
Pens Mngd A	102.60	108.30	-0.80	–
Pens UK Eq	393.90	424.50	-1.70	–
Pens Intl	283.30	314.60	-8.00	–
Pens Global Eqty	131.90	138.60	-1.00	–
Pens Fixed	294.30	310.70	+0.70	–
Pens Index Lk	236.60	250.10	-3.60	–
Pens Property	90.40	95.20	–	–
Pens Cash	189.70	210.40	+0.10	–
Money Purchase Plan				
Discretionary (2)	133.30	142.80	-0.40	–
Equity (2)	137.70	148.20	-0.70	–
International (2)	133.70	142.70	+0.10	–
Global Equity (2)	136.10	146.00	-0.40	–
Intl Bond Feb (2)	146.60	154.40	+0.70	–
Fixed Interest (2)	148.50	154.00	-0.20	–
Index Linked (2)	130.60	137.40	+0.10	–
Property Feb (2)	101.20	111.20	–	–
Cash (2)	115.50	121.20	+0.10	–

Prudential Individual Life Funds
55 King's Road, Reading, RG1 3AH 0734 494852

Series I Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
Managed	740.6	779.8	+2.9	–
Equity	1447.3	1523.5	+5.7	–
Fixed Interest	597.4	628.8	+0.6	–
Property	393.8	414.6	–	–
Cash	366.7	386.0	–	–
International	583.4	614.2	+3.1	–
Series II Life Funds				
Managed	712.8	750.2	+2.8	–
Equity	1388.9	1462.0	+5.3	–
International	561.5	591.1	+3.1	–
Fixed Int	572.2	601.3	+0.5	–
Property	376.7	396.8	–	–
Cash	351.2	369.7	–	–
Pacific Basin	317.4	334.2	-0.7	–
North American	227.4	239.4	+3.1	–
European	241.3	254.0	+1.4	–
Holborn Balanced Gwth	143.4	151.0	+0.5	–
Holborn Strategic Gwth	149.1	157.0	+0.7	–
Distribution Bond	98.7	103.9	+0.3	–

Prudential Individual Pension Funds
55 King's Road, Reading RG1 3AH 0734 494852

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	800.9	843.1	+4.1	–
Segregated	106.2	111.8	+0.40	–
Equity	1089.1	1145.4	+5.6	–
Global Equity	366.4	385.7	+2.7	–
Fixed Interest	701.7	738.7	+0.8	–
Property	381.4	401.5	–	–
Cash	244.1	257.0	+0.1	–
Index Linked Gilt	295.3	310.9	+0.1	–
Guaranteed	4.8	–	–	–
International Money	312.3	328.8	+1.9	–
North American	124.3	130.9	+1.7	–
Japanese	184.2	193.9	+1.6	–
European	140.9	148.4	+1.0	–
Special Situations	140.7	148.2	+0.8	–
Global Growth	123.0	129.5	+0.7	–
Smaller Companies	137.5	158.1	+0.5	–
International Small Cos	187.5	197.4	+1.1	–

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

	Bid Price	Offer Price	+ or -	Yield Gross
Deposit Acc Fd	172.3	181.4	–	–
Equity Acc Fd	444.0	467.3	+0.8	–
Managed Acc Fd	394.2	415.0	–	–
Prop Fd (1st Issue)	–	809.8	–	–
Prop Acc Fd (2nd Iss)	144.4	152.0	–	–
Trust Mngd Fd	216.7	228.1	–	–
RL Pension Funds				
Deposit Acc	253.4	266.8	–	–
Equity Acc	340.4	358.3	+0.8	–
Fixed Int Acc	266.9	280.9	–	–
Gilt Index Lnk Acc	202.1	212.8	–	–
Managed Acc	454.2	478.1	–	–

J Rothschild Assurance PLC
J Rothschild House, Dollar Street, Cirencester
Telephone: 0285 640302 Helpline: 041-307 6000

Royal Heritage Life Assurance Ltd
Peterborough Business Pk, PE2 6GG 0733 390000

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-236 3000

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT. 051-236 1461

Save & Prosper Group (z)
16-22 Western Rd, Romford RM1 3LB 0708-766966

†Weekly dealings. *Fortnightly dealings.

Scottish Amicable
150 St Vincent St, Glasgow 041-248 2323

Life Funds (First Series)	Bid Price	Offer Price	+ or -	Yield Gross
Managed	433.4	456.3	+1.60	–
Equity	546.7	575.5	+1.60	–
Property	243.7	250.5	–	–
International	430.3	453.0	+1.80	–
Japanese	124.6	131.2	+0.90	–
Asia Pacific	148.9	156.8	+0.10	–
European	117.9	124.2	+2.10	–
American	153.6	161.7	+1.80	–
Fixed Interest	360.5	379.5	-0.30	–
Index-Linked Gilt	198.2	208.6	+0.10	–
Cash	221.8	233.5	+0.10	–

Scottish Amicable - Contd.

Others	Bid Price	Offer Price	+ or -	Yield Gross
Capital Guarantee Bond	104.8	110.2	-0.30	–

Scottish Equitable Life Assce. Soc.
28 St Andrew Sq, Edinburgh 031-556 9101

	Bid Price	Offer Price	+ or -	Yield Gross
Mixed	240.2	252.8	+1.2	–
UK Equity	227.7	239.7	+0.7	–
International	243.0	255.7	+2.6	–
American	240.2	252.8	+2.1	–
European	228.8	240.8	+1.4	–
Japan	284.4	299.8	+0.8	–
Pacific	337.4	355.2	+1.3	–
Technology	319.3	336.0	+2.4	–
Fixed Interest	181.3	190.8	+0.1	–
Indexed Linked	159.5	167.9	+0.1	–
Foreign Bond/Currency	226.2	238.1	+0.4	–
Cash	173.85	183.07	+0.019	–
Ethical	123.3	129.8	-0.2	–
Pens Mixed	692.6	725.1	+3.6	–
Pens UK Equity	775.3	817.1	-7.6	–
Pens International	754.2	793.9	+10.2	–
Pens American	242.7	265.5	+2.8	–
Pens European	266.2	280.2	+3.4	–
Pens Japan	312.5	329.0	+0.6	–
Pens Pacific	366.2	385.5	+1.7	–
Pens Fixed Interest	371.8	391.4	+1.3	–
Pens Index Linked	197.7	208.1	+0.1	–
Pens Cash	277.30	291.789	+0.030	–
Pens Property	213.86	225.14	–	–
Pens Ethical	180.1	189.6	+0.3	–
Edinburgh Inv	370.0	389.5	–	0
Baillie Gifford Japan	253.5	266.9	-1.9	–

Scottish Life Investments
19 St Andrew Square, Edinburgh 031-225 2211

Scottish Mutual Assurance plc
109 St Vincent St, Glasgow 041-248 6321

Scottish Provident Institution
6 St Andrew Sq, Edinburgh 031-556 2327

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000

Skandia Life Assurance Co Ltd (z)
Skandia Hse, Portland Terr, Southampton 0703 334411
Skandia Price Line 0800 181398

Standard Life Assurance Company
3 George St, Edinburgh EH2 2XZ 031-225 2552

Sun Alliance Group
St Mark's Court Horsham 0403 232323

Sun Alliance Group - Contd.

Sun Life Unit Assurance Ltd
St James Barton, Bristol BS99 7SL 0272 426911

Sun Life Pensions Management Ltd

Swiss Life (UK) PLC
101 London Rd, Sevenoaks 0732 450181

Next sub day August 25

Pioneer Funds
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

TSB Life Ltd
Charlton Pl, Andover, Hants. SP10 1RE 0264 345678

Target Life Assurance Co Ltd
The Exchange, 66 High St, Aylesbury, Bucks HP20 1SE

Prices quoted are for Accumulation units

Teachers' Assurance Company Ltd
12 Christchurch Rd, B'mouth BH1 3LW 0202 291111

Templeton Life Assurance Limited
80 Union Street, Oldham OL1 1DT 061-624 7299

Tunbridge Wells Equitable
Abbey Court, Tunbridge Wells 0892 515353

Wesleyan Assurance Society
Colmore Circus, Birmingham, B4 6AR 021-200 3003

Windsor Life Assur Co Ltd
Windsor House, Telford, Shropshire 0952 292929

Woolwich Life Assurance Co Ltd
1-3 Queensway, Redhill, Surrey RH1 1NH 0737 778800

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fd	148.5		-0.7	–

Zurich Life Assurance Co Ltd
11 Guildhall Walk, Portsmouth PO1 3LR 0705 822200

	Bid Price	Offer Price	+ or -	Yield Gross
UK Managed	156.4	164.6	-0.5	–
International	163.4	172.0	+0.7	–
Sterling	190.0	200.0	+0.1	–
UK Equity	161.9	170.4	-0.8	–
UK Gilt & Fixed Int	144.5	152.1	-0.6	–
Security	133.7	140.8	–	–
Guaranteed Deposit	123.1	129.6	–	–

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co
Victory Hse, Prospect Hill, Douglas, IoM 0624 677877

Albany International Assurance Ltd
St Mary's, Castletown, Isle of Man 0624 823262

CMI Insurance Co Ltd
Clerical Medical Hse, Douglas I.O.M. 0624 625549

Sterling Funds	Bid Price	Offer Price	+ or -	Yield Gross
Income Fd	£0.821	0.874	–	–
Security Fd	£0.741	0.785	–	–
Balanced Fd	£0.781	0.831	-0.001	–
Opportunity Fd	£0.828	0.881	-0.001	–

Century Life International Ltd

Eagle Star Intl Life
Eagle Star Hse, Athol St, Douglas, IoM 0624 662266

* Prices quoted are Sterling equivalent.

Equitable Life (International)
Albert Hs, Sth Espl'de, St Peter Pt, Gsy 0481 716021

Eurolife Assurance Group
Eurolife Hse, 16 St John St., EC1M 4AY 071-454 1151

Finexco International Ltd
PO Box 193, St Peter Port, Guernsey 0481 713100

Administered by Providence Capital Intl.

Administered by Providence Capital Life Assurance

Hansard International Ltd.
PO 192, Bank Hill, Nth Quay, Douglas IoM 0624 672111

Isle of Man Assurance Ltd
IOMA House, Prospect Hill, Douglas, IoM 0624 624141

	Bid Price	Offer Price	+ or -	Yield Gross
Holiday Property Bond	£0.81	0.82	—	–

Lebrow International Group

	Bid Price	Offer Price	+ or -	Yield Gross
Fund of Funds	£1.67	1.80	—	–

PanEuroLife société anonyme
36 Av Marie-Thérèse, Luxembourg 010 352 459730

	Bid Price	Offer Price	+ or -	Yield Gross
French Balanced Aug 18	FFr6298.46		+19.03	–
Benrom/Benelux Aug 18	DM2414.83		+30.03	–
Global Equities Aug 18	$1071.69		+18.47	–
UK Secure Gth Aug 18	£591.80		+8.71	–
Intl Real Estate Aug 18	Ecu1276.77		+15.93	–
Balanced Aug 18	Ecu1107.20		+3.49	–
Oblig France 2002 Aug 18	FFr1299.82		+7.33	–
Oblig Belgium 2002 Aug 18	BFr1121.49		+1.32	–

Providence Capitol International Ltd

Royal Life Intl. Ltd
Royal Court, Arbory Rd, Castletown IoM 0624 821212

Royal Skandia Life Assurance Ltd (z)
Skandia Hse, Finch Rd, Douglas, IoM 0624 611611

Scottish Provident Intl Life Assurance Ltd
Lord Street, Douglas, Isle of Man IM1 4LN 0624 677446

Sun Alliance International Life
PO Box 77, New St, St Peter Port, Gsey 0481 714108

	Bid Price	Offer Price	+ or -	Yield Gross
North American Equity $	$13.18	14.16	—	–
Pacific Equity $	$9.80	10.54	—	–
Intl Currency $	$4.03	4.29	—	–
Intl Bond Fund $	$8.94	9.62	—	–
Gilt Fund £	£6.36	6.85	—	–
US Dollar Mngd Fd $	$2.30	2.47	—	–
Stlg Managed Fd £	£1.41	1.52	—	–

Target International Group
1 rue Emile Bian, Luxembourg Tlx 2809 Tel 4060761

	Bid Price	Offer Price	+ or -	Yield Gross
Davenport Chdwck £ Fd	£1.15	1.22	—	–
Madisgate £ Pens	£1.03	1.09	—	–
MDchange £ Pens	£0.91	0.96	—	–
Proinco £ Managed	£0.93	0.977	—	–
Proinco £ Managed	£1.42	1.477	—	–
Argent Stg Bincd		£19.66	—	–
Argent Stg Eqty Gth		£18.72	—	–
CH 10	SFr1.39	1.46	—	–
LX 10	$1.36	1.49	—	–

MANAGEMENT SERVICES

Capital Trust Financial Management
8-10 Brook St, Coleraine Co. Londonderry 0265 56300

	Bid Price	Offer Price	+ or -	Yield Gross
Executive Pension	130.4	138.4	-0.5	–
Investment Portfolio	192.2	202.4	-2.2	–
Managed Growth	118.0	124.8	-0.4	–

Chase de Vere PLC
63 Lincoln's Inn Fields, London WC2A 3JX 071-404 5766

	Bid Price	Offer Price	+ or -	Yield Gross
New Trust Fd	131.7	138.0	—	–

ECU Terminvest PLC

	Bid Price	Offer Price	+ or -	Yield Gross
ECU FTSE100 Options		080.00	—	–
ECU Currency Options		154.00	—	–

Fairmount Financial Services Ltd
Castle House, Tunbridge Wells TN1 1BX 0892 516061

	Bid Price	Offer Price	+ or -	Yield Gross
Secure	128.1	134.8	—	–
Growth	129.7	136.6	—	–
Pension Secure	115.3	121.4	—	–
Pension Growth	118.4	124.6	—	–
Pension International	124.4	130.9	—	–

Foster & Braithwaite Ltd
3 London Wall Bldgs, London EC2M 5RB 071 588 6111

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Pension		89.0	—	–
Managed Inv Tst Pension		87.5	—	–

Hurstminster Financial Services(Pty) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
HFS Cml Intl Mgd Acc	86.2	92.7	—	–
HFS Cml Intl Mgd Cap	69.0	74.2	—	–

IPS Capital Management PLC
18-21 Queen Sq, Bristol BS1 4NH 0272 226677

	Bid Price	Offer Price	+ or -	Yield Gross
Recommended P'folio		131.0	-0.1	–
Select Equities P'folio		135.5	-0.2	–
Global Select P'folio		158.4	–	–
Private Portfolio(z)	173.2	182.3	-0.8	–

Johnson Fry Asset Managers Plc
20 Regent Street, London, SW1Y 4PZ 071-839 5688

	Bid Price	Offer Price	+ or -	Yield Gross
JF M&G Managed (z)	224.2	235.5	-0.3	–
JF Target Pension (z)	111.6	117.5	-0.4	–
JF Protected Gwth Bond	258.9	–	-1.0	–
JF Recovery	118.0	124.2	+0.6	–
JF Colston	149.3	156.2	–	–
JF M&G WPF	207.8	218.4	+1.4	–

Knight Williams & Company Ltd
161 New Bond Street, London W1Y 0LA 071-408 1138

Macartney & Dowie Invest Mngt Plc
49 Castle Green Rd, Brentwood, Essex 0277 374036

Roxborough Financial Management Ltd
6 Broad St Pl, Blomfield St, EC2M 7JH 071-638 9822

Charles Stanley & Co Ltd
25 Luke Street, London EC2A 4AR 071-739 8200

	Bid Price	Offer Price	+ or -	Yield Gross
Ch Stanley RHL Fd	502.4	528.8	—	–

United Financial Corporation Ltd
Swan House, Heritage Gate, Derby 0332 383093

	Bid Price	Offer Price	+ or -	Yield Gross
UFC Secure (RH)	132.7	139.7	—	–
UFC Growth (RH)	114.3	120.3	—	–
UFC Executive (RH)	258.1	271.7	-0.9	–

J. D. Ward Financial Services Ltd
8 Kingsway, London, WC2B 6XF 071-836 4321

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds
Pembroke Hall, Pembroke, Bermuda
Sfc Prof Advisers 0800 414180 Jersey 0534 71696
Private Clients 0800 414181 010 352 250404
Price 0'seas (44) 732 777377 Hong Kong (852) 848 1000

Prices for dealing Aug 24

Lloyd George Management
41 Cedar Ave, Hamilton, Bermuda HK 852 845 4433

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
World Success Aug 23	3	$–		8.2340	—	–

Newport Investment Management
73 Front street, Hamilton, Bermuda
UK 0494 730881 Guernsey 0800 741982
Newport SelectPlus Fund Ltd
Newport International Management

Orion Fund Limited
6 Front St., Hamilton, HM11, Bermuda 809 295 6570

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Orion Jul 31		$–		17.40	–	–

CANADA (SIB RECOGNISED)

GBC Asset Management
UK Agent: Ivory & Sime Plc.
One Charlotte Square, Edinburgh EH2 4DZ

*Dealing Thursdays-Forward

GUERNSEY (SIB RECOGNISED)

AIB Grofund Inv Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey CI 0481 710661

Adams & Neville Fd Mnngt (Guernsey) Ltd
PO Box 255 St Peter Port, Guernsey CI 0481 710661

Baring Intl Fd Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710651

Butterfield Fund Mngrs (Guernsey) Ltd
PO Box 211, St Peter Port, Guernsey 0481 720321

Equitable International Fund Managers Ltd
PO Box 295, St Peter Port Guernsey CI 0481 710651

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 250, St Peter Port, Guernsey 0481 712176

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 0481 715404

Kleinwort Benson Intl Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 727111

*Offer price inclusive of maximum preliminary charge

Lazard Fund Mngrs (Channel Islands) Ltd
PO Box 275, St. Peter Port, Guernsey, C.I. 0481 716461

Lion World Fixed Income Fund
Albert Hse, Sth Esplanade, St Peter Port 0481 712686

Lloyds Intl Money Market Fund Ltd
Sarnia Hse, Le Truchot, St Peter Port 0481 724983
Lloyds Bank Fund Managers (Guernsey) Ltd

Dealing daily

M & G (Guernsey) Ltd
Westbourne, The Grange, St Peter Port 0481 722885

Prudential Fund Managers (Guernsey) Ltd
Po Box 61, St Peter Port Guernsey 0481 726666
Prudential Money Funds Ltd

Rothschild Asset Management (CI) Ltd
PO Box 242, St Peter Port, Guernsey 0481 713713

Daily Dealings

Royal Bank of Canada Offshore Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021

Latest Fund Prices, Offer service 0481 716043

Sarasin Funds Mngmt (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 725681

Schroder Investment Mngmt (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710661

Yamaichi Capital Mangmt (Guernsey) Ltd

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Emerging Mkts Unit Tst for Pldn.	$11.27	12.09	—	–

Arab Bank Fund Managers (Guernsey) Ltd
ABL International Fund Ltd

Bachmann Global Investment Fund Ltd

CIBC Fund Managers (Guernsey) Ltd

Dantrust Management (Guernsey) Ltd

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd

Hoskinville Fund Managers (Guernsey) Ltd

Hewlett Throgmorton Mngmt Ltd

Henderson Admin. (Guernsey)

Investment Portfolio Svs (CI) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Global Managed Portfolio	113	120	—	–

Kleinwort Benson Intl Fd Mngrs Ltd

*Offer price inclusive of maximum preliminary charge

Lazard Fund Managers (CI) Ltd

Merrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Quilter International Management Ltd

Rothschild Asset Mngmt (CI) Ltd

For Sarasin see Guernsey SIB Recognised

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

U.S. Treasury Securities Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Fixed Income Shares	$1012.46		—	–

Rudolf Wolff Capital Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Yelcan Mgd Futs Jul 30	$16415.49		—	–

IRELAND (SIB RECOGNISED)

Coutts & Co Fund Managers Limited
15 Dawson Street, Dublin 2, Ireland 010 3531 6613444
Coutts Global Fund

Dresdner Intl Management Services Ltd
Financial Services Centre, Dublin 1 010 3531 6767066

Federated International Funds Plc
15 Dawson Street, Dublin 2 010 3531 673444

* Annualised 7-Day Yield

GAM Fund Management Ltd (u)
Earlsfort Centre, Dublin 2

GT Asset Management (Ireland) Ltd
(44) 71 710 4567 London

Morgan Grenfell Investment Funds Ltd (u)
20 Finsbury Circus, London EC2M 1NB

Profile International Fund Plc

Singer & Friedlander Inv Funds Ltd (u)
21 New Street, Bishopsgate, EC2M 4HR

Ulster Life Investment Fund (u)

IRELAND (REGULATED)(**)

GT Fund Managers (Ireland) Ltd

Bank of Ireland Unit Managers (CI) Ltd

Baring International Fd Mngrs (Ireland) Ltd

Baring Mutual Fund Mngmt (Ireland) Ltd

Chemical Fund Administrators Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Technology 2000		$10.40	—	–

GT Asset Management (Ireland) Ltd

Genesis Portfolio Managers Limited

Hambros Fund Managers (Ireland) Ltd

Kleinwort Benson Capital Mngt (Ireland) Ltd

Morgan Grenfell Fund Mngrs (Ireland) Ltd

Morgan Grenfell Profunds Plc

Old Mutual International Fd Mngrs Ltd (u)

Old Mutual International Ltd

Paine Webber Offshore Funds Plc (u)

J. Rothschild International Assce plc

J. Rothschild International Assce plc - Contd.

Savoy International (Ireland) Plc

Ulster Bank Investment Services

Yellow Sea Investment Company PLC.

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs
Victory Hse, Prospect Hill, Douglas IoM 0624 677877

Allied Dunbar Intl Fund Mgrs (1000)F
Lord Street, Douglas, IoM 0624 661551

For conversion Prices of Sterling Funds: 0624 662000

Asset Global Funds Ltd (1200)
Victory Hse, Prospect Hill, Douglas, IoM 0624 628087

CMI Fund Managers (IoM)
Clerical Medical Hse, Douglas, IoM 0624 625549

Gartmore Fund Managers (IoM)
PO Box 32, Douglas, IoM 0624 627648

Leopold Joseph Fund Mngrs (IoM) Ltd
PO Box 52 Athol St Douglas IoM

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
L.J. International	5¼	113.31	113.31	120.17	-0.13	–

Mercury Fund Managers IoM Ltd

Sun Life Management (IoM) Ltd
PO Box 22, Castletown, IoM 0624 824131

Rothschild Scandinavian Fund Ltd
15-21, Circular Rd, Douglas, IoM 0624 625400

ISLE OF MAN (REGULATED)(**)

AIC Fund Management (IoM) Ltd

AXA Equity & Law Intl Fund Mgrs

Appleby Financial Advisers Ltd

Cali Fund Mngrs (IoM)

City Financial Admin (IoM) Ltd

Dunbar Lovelle Inv. Mgt. Ltd

Henderson Fund Managers (IoM)

John Govett Management (IoM) Ltd

MI Managers (IoM) Ltd

R & H Fund Managers Ltd

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd
PO Box 468 St Helier Jersey 0534 36633

Barclays International Funds
PO Box 152, St Helier, Jersey CI 0534 67888

Capital House Fund Mgrs (CI) Ltd (0900)H
PO Box 189, St Helier, Jersey 0534 74866

Coutts & Co (Jersey) Fund Managers Ltd
23/25 Broad Street, St Helier, Jersey CI 0534 282345

Gartmore Fund Managers International Ltd
PO Box 276, 45 La Motte St, Jersey 0534 27535

John Govett (Channel Islands) Ltd (1000)F
6 Mulcaster Place, Helier, Jersey 0534 35678

Initial charge may alter for sales in other jurisdictions

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F
PO Box 63, Bond Street, St. Helier, Jersey 0534 604614

Lloyds Bank (CI) U/T Mgrs.
PO Box 195, St Helier, Jersey 0534 284843

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Lloyds Tst. Gilt	3½	10.740	10.770	11.190	+0.010	7.77

Dealing daily

Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 0534 606000

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Prudential Fund Managers (Jersey) Ltd

Royal Trust Jsy Fd Mngt Ltd (1400)F

Standard Bank Fund Mngmt (Jersey) Ltd

TSB Trust Funds (CI)

JERSEY (REGULATED)(**)

Barclays Intl Funds

Cater Allen Investment Management (CI)

Citibank (CI) Ltd "Citifunds"

Citibank N.A.

Coutts & Co (Jersey) Fund Managers Ltd

EBC Fund Managers (Jersey) Ltd

Fleming Group

Foreign & Colonial Mngmt (Jersey) Ltd

Barclays Inv Funds (Luxembourg)

CMI Asset Management (Luxembourg) SA

Commercial Union Luxembourg SA (u)

Cravate Group (u)

DB Investment Management SA

Den norske Bank

Latin American Securities Ltd (u)

Liberty ALL-STAR World Portfolio-Eqty Fd(u)

Lloyds Bank Luxembourg

Credit Lyonnais Rouse (Bermuda) Ltd

Credit Suisse

Rosenberg US Japan Mngmt Co SA (u)

Edmond de Rothschild Group

SCI/TECH SA

Scudder, Stevens & Clark

Citizens Investment Trust Mgt Co Ltd

Connaught Investments Ltd (Hong Kong)

Craig Drill Capital Ltd

Credit Lyonnais Intl Asset Mgmt (HK) Ltd

Indosuez Asia Invest Services Ltd

The Jaguar Fund N.V.

The Japan Capital Secured Trust

Jardine Fleming Inv Mngt Ltd

Pacific Growth Fund

Pakistan Fund

Pequot International Fund Inc

Philippine Income Fund Inc

Portuguese Investment Fund Ltd

Putnam International Advisers Ltd

Quantum Group

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Waiting for the Bundesbank

THE dollar and D-Mark traded in tight ranges against most currencies yesterday, with dealers waiting to see what the Bundesbank would do with official interest rates tomorrow before deciding their next move, *writes James Blitz.*

Tomorrow's Bundesbank meeting is the first since the crisis in the exchange rate mechanism led to widening of its fluctuation bands. A 25 basis point cut in the discount rate has been priced in by the market, which believes that the differential between money market rates and the German interest rate floor is too close.

If the Bundesbank does not ease tomorrow, a short-term appreciation across the board for the D-Mark could be expected. Yesterday, dealers were hedging their bets, with the dollar closing at DM1.6815 from a previous DM1.6855. The French franc closed at FFr3.481 to the D-Mark from a previous FFr3.485.

Sterling, however, suffered a sharper fall, dropping 2 pfennigs on the day to close at DM2.5175. Dealers were moved by a variety of factors: the pound broke through the $1.50 level against the dollar, triggering stop-losses across the board for risk averse traders.

The currency closed at $1.4965 against the dollar from a previous $1.5025.

For the major currencies, medium term factors need to be looked at when explaining performance. Some analysts believe that fund managers' operations – as well as short-term interest rate differentials – may explain why the dollar is showing weakness against the D-Mark at this time.

At a presentation in London yesterday, Mr Michael R, Rosenberg, director of fixed income research at Merrill Lynch investment bank, unveiled his latest survey of portfolio managers' global investments.

This showed that they remain heavily overweight in dollars and underweight in the D-Mark. "That may be why the dollar is having difficulty breaking through current levels against the D-Mark," he said.

However, he believes that the D-Mark is substantially overvalued against the dollar and most European currencies and is set for a long-term decline. He forecasts a rise for the dollar above the DM2.00 level over the next 18-24 months.

Mr Rosenberg believes that investors are so substantially underweight in the yen that a break through the Y100 level is guaranteed. "As yet, there has been no carry through by investors behind the exchange rate move," he said. He sticks to the view that the yen will hit "95 in '95." The yen closed yesterday at Y103.70 little changed on the day.

Mr Jeremy Hawkins, economic adviser at Bank of America in London, also believes a break through the Y100 level is likely, but says that investors have been frightened by the success of recent US intervention in support of the dollar.

£ IN NEW YORK

Aug 24	Latest	Previous Close
£ Spot	1.4970 - 1.4980	1.5040 - 1.5050
1 month	0.36-0.35pm	0.36-0.37pm
3 months	[illegible]	[illegible] 0.92pm
12 months	[illegible]	[illegible] 2.80pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Aug 24	Previous
8.30	am	[illegible]	[illegible]
9.00	am	[illegible]	[illegible]
10.00	am	[illegible]	81.5
11.00	am	[illegible]	[illegible]
Noon		[illegible]	81.6
1.00	pm	[illegible]	[illegible]
2.00	pm	[illegible]	81.6
3.00	pm	[illegible]	81.5
4.00	pm	[illegible]	[illegible]

CURRENCY RATES

Aug 24	Bank rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	[illegible]	[illegible]
US Dollar	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Austrian Sch	[illegible]	[illegible]	[illegible]
Belgian Franc	[illegible]	[illegible]	[illegible]
Danish Krone	[illegible]	[illegible]	[illegible]
D-Mark	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]
Japanese Yen	[illegible]	[illegible]	[illegible]
Norway Krone	[illegible]	[illegible]	[illegible]
Spanish Peseta	[illegible]	[illegible]	[illegible]
Swedish Krona	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]
Greek Drach	[illegible]	[illegible]	[illegible]
Irish Punt	[illegible]	[illegible]	[illegible]

[illegible]

* All SDR rates are for Aug 23

CURRENCY MOVEMENTS

Aug 24	Bank of England Index	Morgan ** Guaranty Changes %
Sterling	[illegible]	-28.16
U S Dollar	[illegible]	-11.90
Canadian Dollar	[illegible]	-10.92
Austrian Schilling	[illegible]	+10.05
Belgian Franc	[illegible]	[illegible]
Danish Krone	[illegible]	[illegible]
D-Mark	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]
French Franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	+131.37
Peseta	57.0	-34.05

Morgan Guaranty changes: average 1980-1982=100. Bank of England (Base Average 1985=100) **Rates are for Aug 23

OTHER CURRENCIES

Aug 24	£	$
Argentina	1.4900 - 1.4915	1.0000 - 1.0010
Australia	2.2405 - 2.2425	1.5005 - 1.5015
Brazil	132 300 - 132 315	88 4350 - 88 4450
Finland	8.6425 - 8.6710	5.7835 - 5.8035
Greece	[illegible]	[illegible]
Hong Kong	11.5865 - 11.5930	7.7480 - 7.7490
Iran	[illegible]	1562.00 - 1564.00
Korea(Sth)	[illegible]	807.90 - 813.90
Kuwait	[illegible]	0.30100 - 0.30150
Luxembourg	[illegible]	35.35 - 35.45
Malaysia	[illegible]	2.5435 - 2.5495
Mexico	[illegible]	[illegible]
N.Zealand	2.7410 - 2.7440	1.8085 - 1.8105
Saudi Ar	5.6045 - 5.6155	3.7495 - 3.7505
Singapore	[illegible]	[illegible]
S Af (Cm)	[illegible]	[illegible]
S Af (Fn)	[illegible]	[illegible]
Taiwan	[illegible]	[illegible]
U.A.E.	[illegible]	[illegible]

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Aug 24	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Dutch Guilder	2.19672	2.16385	-1.50	7.44	-
D-Mark	1.94964	[illegible]	[illegible]	7.63	-
Irish Punt	0.808628	0.812764	0.51	6.69	-3
Belgian Franc	40.2123	40.5046	0.73	[illegible]	-5
Spanish Peseta	154.250	155.582	[illegible]	5.33	-6
Portuguese Escudo	192.854	195.956	1.61	4.54	-11
French Franc	6.53883	6.70116	2.48	3.65	-21
Danish Krone	[illegible]	7.89981	6.23	0.00	-43

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate (indicative values only). Divergence indicators are based on 15% band limitations but do not show the 2.25% band between the Dutch Guilder and D-Mark.

POUND SPOT - FORWARD AGAINST THE POUND

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4930 - 1.5035	1.4960 - 1.4970	0.37-0.35cpm	2.89	1.00-0.97pm	2.63
Canada	1.9680 - 1.9865	1.9730 - 1.9740	0.28-0.17cpm	1.37	0.62-0.43pm	1.08
Netherlands	2.8225 - 2.8550	2.8250 - 2.8350	⅛-¼cdis	-0.80	¼-½dis	-0.53
Belgium	52.90 - 53.55	52.95 - 53.05	16-22cdis	-4.30	36-45dis	-3.06
Denmark	10.3190 - 10.4325	10.3100 - 10.3200	4⅝-4½oredis	-6.02	11⅞-13½dis	-4.92
Ireland	1.0626 - 1.0735	1.0640 - 1.0650	0.04-0.08cdis	-0.68	0.17-0.22dis	-0.73
Germany	2.5150 - 2.5375	2.5150 - 2.5200	⅛-¼pfdis	-0.89	⅜-⅝dis	-0.79
Portugal	255.00 - 258.50	255.00 - 256.00	117-132cdis	-5.85	325-361dis	-5.37
Spain	201.90 - 205.85	202.30 - 202.60	82-101cdis	-5.42	236-264dis	-4.94
Italy	2377.78 - 2401.50	2385.25 - 2388.25	7-9liredis	-4.02	20-23dis	-3.60
Norway	10.8575 - 11.0050	10.9075 - 10.9175	⅛-¼oredis	-0.55	½-¾dis	-0.23
France	8.7375 - 8.8425	8.7575 - 8.7675	1⅛-1⅝cdis	-1.88	3-3¼dis	-1.64
Sweden	12.0175 - 12.1875	12.0375 - 12.0475	1½-2⅝oredis	-2.12	4⅛-5⅜dis	-1.58
Japan	154.75 - 158.00	154.75 - 155.75	½-⅜ypm	3.38	1⅛-1⅜pm	3.08
Austria	17.68 - 17.87	17.67 - 17.70	¾-1⅝grodis	-0.89	2¼-4½dis	-0.78
Switzerland	2.2050 - 2.2350	2.2075 - 2.2175	¼-⅛cpm	1.02	¾-⅝pm	1.13
Ecu	1.3120 - 1.3265	1.3145 - 1.3155	0.24-0.28cdis	-2.37	0.62-0.59dis	-1.89

Commercial rates taken towards the end of London trading. Six-month forward dollar 1.73-1.68pm. 12 Month 2.88-2.78pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4930 - 1.5035	1.4960 - 1.4970	0.37-0.35cpm	2.89	1.00-0.97pm	2.63
Ireland†	1.3960 - 1.4090	1.4055 - 1.4065	0.46-0.41cpm	3.71	1.24-1.19pm	3.46
Canada	1.3170 - 1.3210	1.3185 - 1.3195	0.16-0.19cdis	-1.59	0.49-0.56dis	-1.59
Netherlands	1.8860 - 1.8960	1.8905 - 1.8915	0.58-0.60cdis	-3.74	1.51-1.56dis	-3.25
Belgium	35.30 - 35.60	35.35 - 35.45	19-24cdis	-7.29	48-55dis	-5.82
Denmark	6.8900 - 6.9275	6.8900 - 6.8950	[illegible]	-8.71	11.50-13.00dis	-7.11
Germany	1.6770 - 1.6885	1.6810 - 1.6820	0.54-0.55pfdis	-3.89	1.44-1.46dis	-3.45
Portugal	170.30 - 172.00	170.75 - 170.85	116-123cdis	-8.40	325-345dis	-7.85
Spain	134.30 - 137.05	134.85 - 134.95	91-94cdis	-8.23	252-258dis	-7.56
Italy	1589.00 - 1600.75	1594.00 - 1594.50	8.90-9.80liredis	-6.92	24.00-25.00dis	-6.15
Norway	7.2775 - 7.3175	7.2900 - 7.2950	[illegible]	-3.13	4.95-5.35dis	-2.72
France	5.8400 - 5.8850	5.8525 - 5.8575	2.29-2.44cdis	-4.85	6.00-6.25dis	-4.18
Sweden	8.0275 - 8.1300	8.0450 - 8.0500	3.00-3.60oredis	-4.92	8.00-9.00dis	-4.22
Japan	103.50 - 104.00	103.65 - 103.75	0.02pm-0.01ypm	0.17	[illegible]	0.35
Austria	11.8125 - 11.8800	11.8250 - 11.8300	3.55-3.95grodis	-3.80	9.50-10.60dis	-3.40
Switzerland	1.4720 - 1.4870	1.4780 - 1.4790	0.20-0.23cdis	-1.75	0.54-0.60dis	-1.54
Ecu†	1.1315 - 1.1400	1.1370 - 1.1380	0.50-0.49cpm	5.22	1.23-1.21pm	4.29

Commercial rates taken towards the end of London trading. † UK, Ireland and Ecu are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Aug 24	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	6⅛ - 5½	5¾ - 5½	5⅞ - 5¾	5⅞ - 5¾	5¾ - 5⅝	5⅞ - 5¾
US Dollar	3 - 2⅞	3⅛ - 3	3⅛ - 3⅛	3¼ - 3⅛	3⅜ - 3¼	3⅝ - 3½
Can. Dollar	4⅛ - 4⅛	4⅛ - 4⅛	4⅛ - 4⅛	4¼ - 4⅛	5 - 4⅞	5⅛ - 4⅞
Dutch Guilder	6⅜ - 6⅛	6⅜ - 6⅛	6⅜ - 6⅛	6⅛ - 6⅛	6⅛ - 6⅛	5⅞ - 5⅝
Swiss Franc	5 - 4½	5 - 4⅞	4⅞ - 4⅞	4⅞ - 4⅜	4⅜ - 4⅛	4⅛ - 4¼
D-Mark	6⅞ - 6¾	6⅞ - 6¾	6⅞ - 6¾	6⅛ - 6⅛	6⅛ - 6⅛	6⅛ - 6⅛
French Franc	7⅞ - 7⅝	7⅞ - 7⅝	7⅞ - 7⅝	7⅛ - 7⅛	6⅞ - 6¾	6⅛ - 5⅞
Italian Lira	11 - 9	10 - 9½	9¾ - 9¼	9½ - 9	9 - 8½	8¾ - 8¼
Belgian Franc	11¼ - 11	11¼ - 11	10 - 8¾	9¼ - 9	8 - 7¾	7 - 6¾
Yen	3⅛ - 3	3⅛ - 3	3 - 2⅞	2⅞ - 2¾	2⅞ - 2¾	2⅞ - 2¾
Danish Krone	11 - 10½	11 - 10	11¼ - 10¼	10½ - 9¾	9½ - 8¾	8½ - 7¾
Asian $Sing	3½ - 3¼	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼
Spanish Peseta	11 - 10¾	11 - 10¾	11⅛ - 10¾	10⅞ - 10⅝	10⅞ - 10⅜	9⅞ - 9⅝
Portuguese Esc	11¼ - 10¾	11⅝ - 11⅛	11½ - 11	11½ - 11	11¼ - 10¾	10¾ - 10¼

Long term Eurodollars: two years 4⅛-4¼ per cent; three years 4⅞-4¾ per cent; four years 5⅛-4⅞ per cent; five years 5⅜-5¼ per cent nominal. Short term rates are call for US Dollar and Japanese Yen, others, two days' notice.

EXCHANGE CROSS RATES

Aug 24	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C $	B Fr.	Pta.	Ecu
£	1	1.496	2.517	155.2	8.762	2.212	2.830	2386	1.973	53.00	202.4	1.315
$	0.668	1	1.682	103.7	5.857	1.479	1.892	1595	1.319	35.43	135.3	0.879
DM	0.397	0.594	1	61.66	3.481	0.879	1.124	948.0	0.784	21.06	80.41	0.522
YEN	6.443	9.639	16.22	1000.	56.46	14.26	18.23	15374	12.71	341.5	1304	8.473
F Fr.	1.141	1.707	2.873	177.1	10.	2.525	3.230	2723	2.252	60.49	231.0	1.501
S Fr.	0.452	0.676	1.138	70.16	3.961	1	1.279	1079	0.892	23.96	91.50	0.594
N Fl.	0.353	0.529	0.889	54.84	3.096	0.782	1	843.1	0.697	18.73	71.52	0.465
Lira	0.419	0.627	1.055	65.05	3.672	0.927	1.186	1000.	0.827	22.21	84.83	0.551
C $	0.507	0.758	1.276	78.66	4.441	1.121	1.434	1209	1	26.86	102.6	0.666
B Fr.	1.887	2.823	4.749	292.8	16.53	4.174	5.340	4502	3.723	100.	381.9	2.481
Pta.	0.494	0.739	1.244	76.68	4.329	1.093	1.398	1179	0.975	26.19	100.	0.650
Ecu	0.760	1.138	1.914	118.0	6.663	1.682	2.152	1814	1.500	40.30	153.9	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

MONEY MARKETS

Unchanged repo

THE Bundesbank yesterday announced that there would be an unchanged fixed rate repo in this week's securities repurchase tender, keeping German interest rates on hold, *writes James Blitz.*

The news on the repo was well anticipated by the market and there was little change in German interest rate futures. The September Euromark contract closed unchanged at 93.54 and the December contract was up 1 basis point at 94.03.

UK clearing bank base lending rate
6 per cent
from January 26, 1993

Attention is now focused on whether the Bundesbank will cut its discount rate at its council meeting tomorrow, the first since the crisis in the exchange rate mechanism.

There were some reasons for thinking that the Bundesbank would lean towards a cut in the discount rate floor by ½ of a percentage point to 6.50 per cent tomorrow.

The Bundesbank needs to restore a 40 to 50 basis point gap that traditionally exists between call money and the discount rate floor. Call money was yesterday at around 6.35 per cent, providing a differential of only 10 basis points.

But better inflation figures could also make the case for a cut stronger. The cost of living in the western German state of Baden Wurttemberg rose by 0.1 per cent on the month to mid-August and was at 4.3 per cent on the year. This was on the low side of economists' expectations.

Moreover, some analysts believe that the Bundesbank could risk driving European currencies further away from the D-Mark if it does not cut rates tomorrow while other European countries do.

However, the Bundesbank could be concerned by the huge liquidity that has flowed into the market as a result of its intervention in support of the French franc earlier this month. The central bank could wish to signal again that policy remains tight.

France yesterday continued to suspend its window for overnight lending to the French money market. However, this was still seen as a technical move coinciding with the market's high liquidity. Three month money was virtually unchanged at around 7.40 per cent. The September Pibor contract was down 6 basis points at 93.19.

Sterling markets were little changed with 3 month money closing at roughly the same level of 5⅞ per cent. A shortage of £550m was forecast at the start of the day and there was late assistance of £155m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Aug 24)	3 months US dollars		6 months US Dollars	
	bid 3⅛	offer 3¼	bid 3¼	offer 3⅜

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

Lunchtime					
Prime rate	6	One month	2.80	Three year	4.32
Broker loan rate	5	Two month	2.99	Five year	4.97
Fed.funds	2⅞	Three month	3.08	Seven year	5.23
Fed.funds at intervention.	-	Six month	3.21	10-year	5.61
		One year	3.41	30-year	6.23
		Two year	3.94		

Aug 24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	6.80-6.90	6.70-6.80	6.60-6.75	6.45-6.55	6.25-6.40	7.75
Paris	7⅝-7¼	7⅜-7⅝	-	7⅛-7⅜	-	6.75
Zurich	4¾-5	4⅝-4⅜	-	4⅞-4⅞	-	-
Amsterdam	[illegible]	6.52-6.60	-	6.27-6.35	-	-
Tokyo	2⅞-3⅛	-	-	-	-	-
Milan	9⅝-10¼	9⅞-9⅞	-	9⅞-9¼	-	-
Brussels	11¼-11½	9⅞-10	-	9⅛-9⅜	-	-
Dublin	6¼-6⅜	6⅞-6⅞	6½-6⅝	6½-6⅝	6⅞-6⅞	-

LONDON MONEY RATES

Aug 24	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	6½	5⅞	5⅞	5⅞	5⅞	5⅞
Interbank Bid	4	5¾	5¾	5¾	5¾	5½
Sterling CDs	-	-	5⅞	5¾	5⅞	5⅞
Local Authority Deps.	5⅞	5⅝	5⅞	5⅞	5⅞	5⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	5¼	5⅞	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	5⅞	5⅞	5⅝	5⅞
Treasury Bills (Buy)	-	-	5⅞	5⅜	5⅜	-
Bank Bills (Buy)	-	-	5⅝	5⅞	5⅞	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	2.97	3.02	3.15	3.34
SDR Linked Dep. Offer	-	-	4⅛	4¼	4⅜	4⅛
SDR Linked Dep. Bid	-	-	4⅛	4⅛	4⅛	4
ECU Linked Dep. Offer	-	-	8⅛	7⅛	7⅛	6⅞
ECU Linked Dep. Bid	-	-	7⅞	7⅛	7	6⅞

Treasury Bills (sell); one-month 5⅝ per cent; three months 5⅜ per cent; six months 5⅜ per cent; Bank Bills (sell); one-month 5⅝ per cent; three months 5⅜ per cent. Treasury Bills: Average tender rate of discount 5.5707 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day July 30, 1993. Agreed rates for period Aug 25, 1993 to Sep 25, 1993 Scheme II & III: 7.25 p.c. Reference rate for period July 1, 1993 to July 30, 1993, Scheme IV&V: 6.059 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 6pc from August 1, 1993 Bank Deposit Rate for sums at 7 days notice 5⅛ p.c. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 2¾ p.c., one-three months 5¼ p.c., three-six months 5 p.c., six-nine months 4¾ p.c., nine-twelve months 4½ p.c., Under £100,000 2¾ p.c. from Jan.27, 1993. Deposits withdrawn for cash 1¼p.c.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
110	3-08	3-27	1-06	1-63
111	2-30	2-58	1-30	2-28
112	1-59	2-25	1-59	2-61
113	1-29	1-62	2-29	3-34
114	1-05	1-39	3-05	4-11
115	0-50	1-18	3-50	4-54
116	0-38	1-01	4-38	5-37
117	0-25	0-51	5-25	6-23

Estimated volume total, Calls 2272 Puts 1702
Previous day's open int. Calls 15256 Puts 10894

LIFFE EURO SWISS FRANC OPTIONS
SFR 1m points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
9475	0.68	1.02	0	0.02
9500	0.42	0.78	0.01	0.03
9525	0.18	0.55	0.02	0.05
9550	0.04	0.34	0.13	0.09
9575	0.02	0.19	0.36	0.19
9600	0.01	0.10	0.60	0.35
9625	0	0.04	0.84	0.54
9650	0	0.02	1.09	0.77

Estimated volume total, Calls 0 Puts 200
Previous day's open int. Calls 3095 Puts 1035

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
9600	1.58	1.87	0.30	0.55
9650	1.23	1.55	0.45	0.73
9700	0.93	1.26	0.65	0.94
9750	0.68	1.01	0.90	1.19
9800	0.47	0.79	1.19	1.47
9850	0.33	0.61	1.53	1.79
9900	0.22	0.46	1.94	2.14
9950	0.14	0.34	2.36	2.52

Estimated volume total, Calls 6140 Puts 7495
Previous day's open int. Calls 67549 Puts 23224

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
9300	0.55	1.05	0.01	0.02
9325	0.31	0.81	0.02	0.03
9350	0.10	0.58	0.06	0.05
9375	0.02	0.38	0.23	0.10
9400	0.01	0.23	0.47	0.20
9425	0	0.14	0.71	0.36
9450	0	0.08	0.96	0.55
9475	0	0.05	1.21	0.77

Estimated volume total, Calls 2809 Puts 2211
Previous day's open int. Calls 155080 Puts 117345

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS
Lira 200m 100ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
1110	2.79	3.47	1.75	2.78
1115	2.51	3.22	1.97	3.03
1120	2.24	2.98	2.20	3.29
1125	2.00	2.75	2.46	3.56
1130	1.78	2.53	2.74	3.84
1135	1.58	2.33	3.04	4.14
1140	1.39	2.14	3.35	4.45
1145	1.23	1.96	3.69	4.77

Estimated volume total, Calls 831 Puts 296
Previous day's open int. Calls 7100 Puts 7480

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
9350	0.66	1.09	0	0.02
9375	0.41	0.85	0	0.03
9400	0.19	0.63	0.03	0.06
9425	0.05	0.43	0.14	0.11
9450	0.02	0.26	0.36	0.18
9475	0.01	0.14	0.60	0.32
9500	0	0.08	0.84	0.51
9525	0	0.04	1.09	0.72

Estimated volume total, Calls 855 Puts 2972
Previous day's open int. Calls 154841 Puts 100931

LONDON (LIFFE)

9% NOTIONAL BRITISH GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev.
Sep	112-15	112-31	112-12	112-30
Dec	112-00	112-14	111-29	112-15

Estimated volume 48042 (19553)
Previous day's open int. 92480 (102912)

6% NOTIONAL GERMAN GOVT. BOND *
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Sep	97.16	97.27	97.11	97.16
Dec	97.28	97.37	97.23	97.30

Estimated volume 47089 (38489)
Previous day's open int. 183982 (190479)

6% NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL) DM250,000 100ths of 100% *

	Close	High	Low	Prev.
Sep	100.39	100.49	100.38	100.41
Dec	100.53	100.60	100.57	100.55

Estimated volume 2103 (1492)
Previous day's open int. 16294 (16498)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Sep	110.71	110.73	110.59
Dec	109.99	110.05	109.86

Estimated volume 1534 (2436)
Traded exclusively on APT

12% NOTIONAL ITALIAN GOVT. BOND (BTP) *
LIRA 200m 100ths of 100%

	Close	High	Low	Prev.
Sep	112.34	112.42	111.61	111.41
Dec	112.04	112.09	111.28	111.13

Estimated volume 38483 (21298)
Previous day's open int. 63290 (61856)

10% NOTIONAL SPANISH GOVT. BOND (BONOS)
Pta 20m 100ths of 100%

	Close	High	Low	Prev.
Sep	104.00			103.00
N				
A				

Estimated volume 0 (0)
Previous day's open int. 11 (11)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev.
Sep	94.16	94.19	94.16	94.17
Dec	94.57	94.62	94.56	94.59
Mar	94.70	94.74	94.68	94.71
Jun	94.62	94.66	94.60	94.64
Sep	94.42	94.46	94.41	94.43

Est. Vol. (inc. figs. not shown) 24924 (31731)
Previous day's open int. 369076 (367925)

THREE MONTH EURODOLLAR *
$1m points of 100%

	Close	High	Low	Prev.
Sep	96.73	96.73	96.72	96.73
Dec	96.39	96.40	96.39	96.41
Mar	96.36			96.37
Jun	96.12	96.12	96.10	96.13

Est. Vol. (inc. figs. not shown) 304 (289)
Previous day's open int. 13864 (13884)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev.
Sep	93.54	93.56	93.53	93.54
Dec	94.03	94.05	94.02	94.02
Mar	94.53	94.54	94.51	94.52
Jun	94.73	94.75	94.73	94.72
Sep	94.81	94.82	94.80	94.80

Estimated volume 30658 (31152)
Previous day's open int. 668439 (668700)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Sep	92.87	92.93	92.87	92.89
Dec	93.90	93.93	93.90	93.91
Mar	94.36	94.36	94.36	94.36
Jun	94.46	94.46	94.46	94.46

Estimated volume 985 (2070)
Previous day's open int. 32956 (32952)

THREE MONTH EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Sep	95.41	95.42	95.40	95.41
Dec	95.75	95.76	95.73	95.75
Mar	95.98	95.99	95.97	95.97
Jun	96.01	96.02	95.99	95.98

Estimated volume 4203 (1877)
Previous day's open int. 51353 (50699)

THREE MONTH EUROLIRA INT. RATE
LIRA 1,000m points of 100%

	Close	High	Low	Prev.
Sep	91.05	91.11	91.03	91.02
Dec	91.95	92.00	91.91	91.89
Mar	92.44	92.45	92.39	92.38
Jun	92.63	92.63	92.59	92.56

Estimated volume 6821 (4948)
Previous day's open int. 85014 (86274)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Sep	3056.0	3069.0	3054.0	3053.0
Dec	3077.6	3091.0	3076.5	3074.5
Mar	3091.5	3100.0	3100.0	3088.0

Estimated volume 7032 (6724)
Previous day's open int. 55392 (56056)

* Contracts traded on APT. Closing prices shown.

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Sep	117-07	117-14	117-04	117-09
Dec	115-28	116-03	115-25	115-31
Mar	114-24	114-27	114-23	114-28
Jun	113-26	113-35	113-25	113-28
Sep	112-27	112-27	112-27	112-31
Dec	112-17	112-17	112-17	112-21
Mar	111-31	-	-	111-31
Jun	111-10	-	-	111-10
Sep	110-24	-	-	110-24
Dec	110-06	-	-	110-06

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sep	96.98	96.99	96.98	96.99
Dec	96.81	96.81	96.80	96.82
Mar	96.70	96.70	96.70	96.71
Jun	96.51	-	-	96.51

BRITISH POUND (IMM)
$a per £

	Latest	High	Low	Prev.
Sep	1.4920	1.5030	1.4910	1.5016
Dec	1.4830	1.4890	1.4830	1.4922
Mar	1.4854	-	-	1.4854

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Sep	0.6772	0.6775	0.6723	0.6739
Dec	0.6750	0.6750	0.6722	0.6718
Mar	0.6712	0.6735	0.6712	0.6708

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Sep	0.9650	0.9719	0.9615	0.9691
Dec	0.9654	0.9710	0.9637	0.9700
Mar	0.9722	-	-	0.9722
Jun	0.9745	-	-	0.9745

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Sep	0.5938	0.5938	0.5909	0.5920
Dec	0.5888	0.5888	0.5878	0.5872
Mar	0.5855	0.5856	0.5838	0.5835
Jun	0.5809	-	-	0.5809

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sep	96.73	96.73	96.72	96.73
Dec	96.39	96.40	96.38	96.40
Mar	96.35	96.35	96.34	96.38
Jun	96.11	96.12	96.09	96.12
Sep	95.82	95.82	95.79	95.82
Dec	95.38	95.39	95.36	95.39
Mar	95.29	95.29	95.26	95.29
Jun	95.08	95.08	95.05	95.08

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Sep	455.65	455.70	455.40	455.45
Dec	456.35	456.60	456.35	456.20
Mar	457.15	-	-	457.15
Jun	458.10	-	-	458.10

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Sep	Calls Oct	Calls Nov	Calls Dec	Puts Sep	Puts Oct	Puts Nov	Puts Dec
1.425	6.73	6.97	7.26	7.53	0.08	0.66	1.22	1.82
1.450	4.48	5.10	5.61	5.88	0.32	1.24	1.96	2.64
1.475	2.59	3.49	4.02	4.48	0.89	2.12	2.93	3.64
1.500	1.23	2.26	2.83	3.26	2.01	3.34	4.32	4.86
1.525	0.48	1.39	1.94	2.41	3.71	4.95	5.79	6.60
1.550	0.12	0.79	1.27	1.69	5.85	6.84	7.81	8.21
1.575	0.04	0.44	0.82	1.15	8.14	8.87	9.53	10.14

Previous day's open int: Calls 706,497 Puts 635,228 (All currencies)
Previous day's volume: Calls 11,747 Puts 53,685 (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	† Yield	† Open int.
September	122.24	122.28	+0.12	122.46	122.20	-	168,301
December	121.80	121.90	+0.14	122.04	121.80	-	66,942
March	124.90	124.94	+0.14	125.00	124.90	-	12,158

Estimated volume 102,868 † Total Open Interest 229,401

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Sett price	Change	High	Low	† Yield	† Open int.
September	93.20	93.15	-0.05	93.22	93.12	-	92,106
December	94.27	94.27	-	94.32	94.25	-	74,180
March	94.88	94.88	-	94.94	94.88	-	49,527
June	95.05	95.07	-	95.13	95.05	-	38,561

Estimated volume 20,717 † Total Open Interest 279,042

CAC-40 FUTURES (MATIF) Stock Index

	Open	Sett price	Change	High	Low	† Yield	† Open int.
August	2135.0	2136.0	+10.0	2145.0	2131.0	-	36,421
September	2148.0	2149.0	+10.0	2157.0	2143.5	-	37,028
October	2157.0	2160.5	+10.0	2157.0	2157.0	-	2,819
December	2161.5	2162.5	+11.0	2169.5	2160.0	-	7,006

Estimated volume 22,654 † Total Open Interest 86,640

ECU BOND (MATIF)

	Open	Sett price	Change	High	Low	† Yield	† Open int.
September	117.36	117.54	+0.26	117.62	117.34	-	12,329

Estimated volume 1,942 † Total Open Interest 12,329

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls September	Calls December	Calls March	Puts September	Puts December	Puts March
120	2.28	2.34	-	-	0.45	-
121	1.30	-	-	0.01	0.73	-
122	0.36	1.12	-	0.06	1.17	-
123	0.05	0.66	-	-	-	-
124	-	0.41	-	-	-	-
Open int	95,496	145,169	24,270	238,578	113,764	16,153

Estimated volume 21,233 † Total Open Interest 633,470
† All Yield & Open interest figures are for the previous day.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4365	1.4929	1.4867	1.4795	1.4682

BASE LENDING RATES

%		%		%	
Adam & Company	6	Cyprus Popular Bank	6	Mount Banking	6
Allied Trust Bank	6	Duncan Lawrie	6	NatWestminster	6
AIB Bank	6	Equatorial Bank plc	6	Nykredit Mortgage Bnk	6.5
●Henry Ansbacher	6	Exeter Bank Limited	7	●Rea Brothers	6
B & C Merchant Bank	13	Financial & Gen Bank	7	* Roxburghe Bank Ltd	6
Bank of Baroda	6	●Robert Fleming & Co	6	* (in administration)	
Banco Bilbao Vizcaya	6	Girobank	6	Royal Bk of Scotland	6
Bank of Cyprus	6	●Guinness Mahon	6	●Smith & Williamson Secs	6
Bank of Ireland	6	Habib Bank AG Zurich	6	Standard Chartered	6
Bank of India	6	●Hambros Bank	6	TSB	6
Bank of Scotland	6	Heritable & Gen Inv Bk	6	●United Bk of Kuwait	6
Barclays Bank	6	●Hill Samuel	6	Unity Trust Bank Plc	6
Brit Bk of Mid East	6	C. Hoare & Co	6	Western Trust	6
●Brown Shipley	6	Hongkong & Shanghai	6	Whiteaway Laidlaw	6
CL Bank Nederland	6	Julian Hodge Bank	6	Wimbledon & Sth West	7
Citibank NA	6	●Leopold Joseph & Sons	6	Yorkshire Bank	6
City Merchants Bank	6	Lloyds Bank	6		
Clydesdale Bank	6	Meghraj Bank Ltd	6		
The Co-operative Bank	6	McDonnell Douglas Bk	6		
Coutts & Co	6	Midland Bank	6		
Credit Lyonnais	6				

● Members of British Merchant Banking & Securities Houses Association

COMPANY NOTICES

N K PROPERTIES LIMITED

(Incorporated in South Africa)
Reg. No. 01/08665/06

DECLARATION OF DIVIDEND AND DEBENTURE INTEREST DISTRIBUTION NO. 02

Notice is hereby given that final dividend No.02 of 0.010 cents per share, and debenture interest of 11.490 cents per debenture, a total distribution of 11.5 cents per linked unit, be declared payable to unit holders registered on 10 September 1993. This distribution covers the 2 month period from 1 May to 30 June 1993. Cheques will be posted on or about 1 October 1993. S.A. Non-resident Shareholders' Tax will be deducted at source where applicable.

The next distribution is due to be declared in February 1994 and thereafter in August and February of each year.

Holders of Bearer Share Warrants in the name of New Kleinfontein Properties Limited are reminded that, consequent upon the conversion of the company to a Property Loan Stock company on 1 November 1992, they are required to surrender their Share Warrants to the company's Transfer Secretaries for cancellation and replacement by certificates representing entitlements of new linked units reflecting the new name of N K Properties Limited.

By Order of the Board of Directors
AFC Properties (Pty) Ltd.
Secretaries.

N K Property Management Co (Pty) Ltd.
20 August 1993

Registered office: 25 Wellington Road, Parktown, 2193
Transfer Secretaries: Barclays Registrars, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

THE KINGDOM OF DENMARK
£500,000,000
Floating Rate Notes Due 1998

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period from 24th August, 1993 to 24th November, 1993 the rate of interest on the Notes will be 5¾% per annum. The interest payable on the relevant interest payment date 24th November, 1993 will be £144.93 per £10,000 Note and £1,449.32 per £100,000 Note.

Fiscal and
Principal Paying Agent
ROYAL BANK OF CANADA

FORD MOTOR CREDIT COMPANY
U.S. $400,000,000
Floating Rate Notes Due August 1998

In accordance with the terms and conditions of the Notes, the interest rate for the period 26th August, 1993 to 26th November, 1993 has been fixed at 3½% per annum. The interest payable on 26th November, 1993 will be U.S. $8.944444 per U.S. $1,000 nominal.

Agent Bank and
Principal Paying Agent
ROYAL BANK OF CANADA

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	5.48	-	5.60	3-Mth
Deposits Over £1 million	5.58	-	5.70	3-Mth
Deposits Over £2 million	5.68	-	5.80	3-Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.60	-	5.72	3-Mth
Cent. Bd. of Fin. of Church of England‡ 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.65	-	5.77	3-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ 071-236 1425 / 071 236 2552				
TESSA Dash				
Call Fund	5.05	3.79	5.11	6-Mth
7-day Fund	5.16	3.88	5.22	6-Mth
Special Fund	5.01	3.76	5.13	1-Mth
Dollar	1.84	1.38	1.85	3-Mth
TESSA Prime	5.01	-	5.10	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	2.27	1.70	2.29	Qtr
£10,000+	3.74	2.81	3.79	Qtr
Aitken Hume Bank plc 30 City Road, London EC1Y 2AY. 071-638 6070				
Treasury Account – for professional advisers				
£25,000-£49,999	5.50	4.125	5.64	Mth
£50,000 or more	5.75	4.3125	5.90	Mth
Monthly Inc Acc – for personal and business clients				
Up to £9,999	4.00	3.00	4.07	Mth
£10,000 - £24,999	4.75	3.5625	4.85	Mth
£25,000 - £49,999	5.25	3.9375	5.38	Mth
£50,000 or more	5.50	4.125	5.64	Mth
Money Market quotations – phone telephone				
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD 071-626 0879				
FOMIMA (£2,001+)	7.07	5.30	7.07	Yearly
TREMIMA (£2,001+)	6.17	4.63	6.17	Yearly
TOMIMA (£2,001+)	5.96	4.47	5.96	Yearly
OMIMA (£2,001+)	5.64	4.23	5.64	Yearly
HICA (£2,001+)	5.00	3.75	5.12	Mth
HISCA (£2001+)	5.50	4.13	5.64	Mth
Premier TESSA	7.56	5.67	7.56	Yearly
American Express Bank Ltd Sussex House, Burgess Hill RH15 9AQ 0444 239444				
High Performance Cheque Account				
£500-£999.99	2.00	1.50	2.02	Mth
£1,000-£4,999.99	4.50	3.38	4.59	Mth
£5,000-£9,999.99	4.75	3.56	4.85	Mth
£10,000-£24,999.99	5.00	3.75	5.12	Mth
£25,000-£49,999.99	5.25	3.94	5.38	Mth
£50,000+	5.75	4.31	5.90	Mth
Bank of Ireland High Interest Cheque Acc 32-40 High St, Slough SL1 1EL 0753 516516				
£10,000+	4.25	3.188	4.318	Qtr
£2,000-£9,999	4.00	3.000	4.060	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH 071-601 6446				
Mill Chq Acc £2,500-£24,999	4.50	3.37	4.59	Mth
£25,000-£249,999	4.75	3.56	4.85	Mth
£250,000+	5.75	4.31	5.90	Mth
Bank of Wales – Business Accounts Kingsway, Cardiff CF1 4YB 0222 229922				
Current Account £25,000+	4.00	-	4.07	Qtr
Investment Account £25,000+	5.00	-	5.11	Mth
Barclays Select PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	4.30	3.23	4.30	Yearly
£10,000-£24,999	5.20	3.90	5.20	Yearly
£25,000-£49,999	5.50	4.13	5.50	Yearly
£50,000-£99,999	6.00	4.50	6.00	Yearly
£100,000+	6.50	4.88	6.50	Yearly
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coutts & Co Reserve Account, 440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	4.00	3.00	4.06	Qtr
£20,000-£49,999	3.50	2.625	3.55	Qtr
£5,000-£19,999	3.00	2.25	3.03	Qtr
For businesses, charities and societies				
£100,000-£1,000,000	3.50	2.630	3.55	Qtr
£25,000-£99,999	3.25	2.44	3.29	Qtr
£10,000-£24,999	2.50	1.88	2.52	Qtr
Dao Heng Bank (London) PLC Premier Acc 071-631 3313				
£2,500-£10,000	5.00	3.75	5.09	Qtr
£10,001-£20,000	5.50	4.13	5.61	Qtr
£20,000+	6.25	4.69	6.40	Qtr
Savings Account	4.00	3.00	4.06	Qtr
Fidelity Money Market Account Fidelity Brokerage Services Ltd, Oakhill House, Hildenborough, Kent TN11 9DZ				
£1-£49,999	4.50	3.375	4.58	Qtr
£50,000-£249,999	5.00	3.75	5.09	Qtr
£250,000-£499,999	5.625	4.219	5.74	Qtr
£500,000+ Money Market Rates on request				
Gartmore Money Management Ltd 16-18 Monument St London EC3R 8QQ 071-236 1425				
HICA £10,000+	4.50	3.375	4.58	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc Trinity Road, Halifax HX1 2RG 0422 335333				
Rates for personal customers				
£50,000 and above	6.35	4.76	6.50	Qtr
£25,000 to £49,999	6.00	4.50	6.14	Qtr
£10,000 to £24,999	5.65	4.24	5.77	Qtr
£5,000 to £9,999	5.00	3.75	5.09	Qtr
Rates for non-personal customers				
£50,000 and above	5.85	4.39	[illegible]	Qtr
£25,000 to £49,999	5.50	4.13	[illegible]	Qtr
£10,000 to £24,999	5.25	3.94	[illegible]	Qtr
£5,000 to £9,999	4.75	3.56	4.84	Qtr
Julian Hodge Bank Ltd 10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Dep Acc	7.00	5.25	-	-
Extra High Interest Deposit Account				
£50,000+	6.75	5.06	6.92	Qtr
£10,000+	6.50	4.88	6.66	Qtr
£5,000+	6.00	4.50	6.14	Qtr
Humberclyde Finance Group 6 Bartley Way, Hook, Basingstoke 0256 760000				
£50,000+	6.00	4.50	6.14	Qtr
Leopold Joseph & Sons Limited 29 Gresham Street, London EC2V 7EA 071-588 2323				
Treasury High Interest Cheque Account				
£25,001-£100,000	5.25	3.9375	5.3544	Qtr
£100,001 plus	5.50	4.1250	5.6146	Qtr
Kleinwort Benson Ltd 155 Kentish Town Rd, London NW5 2ST 071-267 1466				
H.I.C.A. (£2,500+)	5.00	3.75	5.11	Daily
Kleinwort Benson Private Bank (a division of Kleinwort Benson Investment Management Ltd) 155 Kentish Town Road, London NW5 2ST 071-267 1166				
H.I.C.A. (£2,500+)	5.00	3.75	5.11	Daily
Lloyds Bank – Investment Account 71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	5.40	4.05	5.40	Yearly
£25,000+	5.20	3.90	5.20	Yearly
£10,000+	5.00	3.75	5.00	Yearly
Midland Bank plc PO Box 2, Sheffield. 0742 529394				
Exchequer Acc £5000+	[illegible]	[illegible]	[illegible]	Yearly
£10,000+	[illegible]	[illegible]	[illegible]	Yearly
£25,000+	[illegible]	[illegible]	[illegible]	Yearly
£50,000+	[illegible]	[illegible]	[illegible]	Yearly
TESSA	6.75	-	6.75	Yearly
Nationwide Bldg Soc. – Businessinvestor Business High Interest Cheque Account, Pipers Way, Swindon [illegible] 0800 [illegible]				
£2,000-£4,999	[illegible]	[illegible]	[illegible]	[illegible]
£5,000-£9,999	[illegible]	[illegible]	[illegible]	[illegible]
£10,000-£24,999	[illegible]	[illegible]	[illegible]	[illegible]
£25,000-£49,999	[illegible]	[illegible]	[illegible]	[illegible]
£50,000+	[illegible]	[illegible]	[illegible]	[illegible]
Portman Bldg Soc Prestige Cheque Account Richmond Hill, Bournemouth, BH2 6EP 0800 [illegible]				
£50,000+	6.00	4.50	6.00	Yearly
£30,000-£49,999	5.50	4.13	5.50	Yearly
£20,000-£29,999	5.00	3.75	5.00	Yearly
£10,000-£19,999	4.00	3.00	4.00	Yearly
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wimbledon & South West Finance PLC 114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	5.50	4.13	5.61	Qtr

NOTES – Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

WORLD STOCK MARKETS

AUSTRIA

August 24	Sch	+ or −
Austrian Airlines	1,861	+1
Bank Austria	1,030	—
Creditanstalt Pf	732	+10
EA General	3,570	+50
Evn	1,039	+10
Lenzing	885	+5
OeMV	820	+2
Perlmooser Zement	950	−10
Radex Heraklith	414	+3
Steyr Daimler	207	—
Veitscher Magnesit	313	+2
Verbund (Br) A	641	+4
Vienna Intl Airport	477	−1
Wienerberger	3,640	+80

BELGIUM/LUXEMBOURG

August 24	Frs.	+ or −
AG Group	2,875	+5
Ackermans	3,180	−10
Almanij	7,880	−10
Arbed	3,800	−220
BBL	3,900	−20
Bank Intl a Lux	15,750	−250
Banq Gen Lux Pts	20,500	−450
Banque Nat Belg	35,475	+125
Bekaert	17,275	−475
CBR Cement	11,525	−50
CMB	2,020	−35
Cobepa	5,120	−30
Cockerill Priv	131	+1
Colruyt	6,270	+10
Delhaize Frs Lion	1,296	−2
Electrabel	6,060	—
Electrabel AFV1	5,960	+20
Electrafina ACT	2,750	−20
GBL	3,460	−20
GBL AFV 1	3,440	—
GIB Group	1,260	+20

FRANCE

August 24	Frs.	+ or −
AGF	828	−4
Accor	672	+8
Air Liquide	744	−1
Alcatel Alsthom	722	—
Axa	1,547	+28
BIC	1,335	+25
BSN	892	+10
BNP Cert Inv	598	−1
Bancaire Cie	556	+1
Bongrain	2,750	+95
Bouygues	688	—
CGIP	1,201	−13
Canal+	1,283	+2
Cap Gemini S	197.40	−1.60
Carnaud Metalbox	223	−3.40
Carrefour	3,000	+48
Casino	145.40	−.90
Chargeurs	1,070	+8
Club Mediterranee	435	−7
Coparex Intl	560	—
C C F	245	+1.80
Cr Fonc France	1,714	+28
Cred Lyon (CI)	779	+4
Credit Local Fr	428	−1.80
Credit National	693	+15
Damart	4,424	+8
Docks de France	570	−19
Dollfus Mieg Cie	325	−2
EBF	890	+9
Eaux Cie Genl	2,425	+48
Ecco	843	+7
Elf Aquitaine	430.30	+2.80
Elf Aquitaine Certs	375	+8.10
Elf Sanofi	938	−9
Eridania B-Say	831	+3
Eridania B-Say CI	850	+5
Essilor Intl	546	+8
[illegible]	2,298	+24
Eurafrance	1,880	+8
Euro RSCG	813	+6
Euro Disney	56	—
[illegible]	148	−.80
Fonc Lyonnaise	700	−4
Fromageries Bel	4,850	+120

GERMANY (continued)

August 24	Dm.	+ or −
DLW	418.50	−4
Daimler-Benz	722.50	+.50
Degussa	388	+5.50
Deutsche Babcock	196	+1.30
Deutsche Bank	771.50	+4.50
Didier-Werke	136	+2
Douglas Hldg	570	+.50
Dragerwerk	258	—
Dresdner Bk	413.80	+2
GEHE	409.50	+11
Gerresheimer	229	−2
Goldschmidt (TH)	670	−20
Hamburg Elekt	192	+2
Heidelb Zem	1,080	—
Henkel Prf	573	+5
Herlitz	322	−.50
Hochtief	1,121	−3
Hoechst	279.30	+2.40
Holzmann Ph	958	+8
Horten	212	−2.30
IKB Deutsche Ind	280.50	+1.50
Industrie Werke	358.50	+4.50
Kali & Salz	140	−2.50
Karstadt	584.80	+5.80
Kaufhof	536.50	+11
KHD	122	+3
Klockner Werke	78	+.70
Lahmeyer	759	+9
Leifheit	815	+8
Linde	840	−3
Linotype-Hell	410	+2
Lufthansa	142	+2
Lufthansa n/v Prf	134.80	+3.80
MAN	321.50	−2
MAN Pref	273	−1
Mannesmann	325.50	+4
Mannheim Vers	792	−13
Mercedes Hld	725	−.60
Metallgesellschaft	370	−2
Muench Rueck (Reg)	3,430	−5
PWA	189.90	−1.10
Philips Kommun	508	—
Porsche	620.50	−4.50

NETHERLANDS (continued)

August 24	Fls.	+ or −
Bols Wessanen	42.20	−.50
CSM	82.40	+.10
DSM	96.20	−.90
Dordtsche Petr	174	+1.70
Elsevier	143.80	−.10
Fokker Dep Recs	20.70	+.70
Gamma	93.50	+1
Gist Broc Dep Recs	47.80	+1.80
Hagemeyer	94.50	−.10
Heineken	184.40	+2
Hollnd Beton	273.50	−4
Hoogovens Dep Recs	45.80	+.50
Hunter Douglas	69.40	+.70
IHC Caland	35.90	—
Int Nedlnd Dep Recs	70.50	+.40
Intl Mueller	63	−.50
KLM	35.20	—
KNP BT	38.50	+.20
Koln Pakhoed DpRcs	43.80	+.20
Nedlloyd	43.80	+.70
Nijverd-Ten Cate	88.40	−.20
Nutr Ver Bed Dp Rcs	135.50	−.20
Oce V Grinten	56.30	−1
Philips	36.30	−.10
PolyGram	62.80	−.20
Robeco	117.30	+.90
Rodamco	60.20	+.30
Rolinco	117	+1
Rorento	92.90	—
Royal Dutch	187	+1.30
Stork NV	38.60	+.30
Unilever Dep Recs	198.50	+1
VNU	138.60	+.60
Van Ommeren Dp Rcs	40.20xd	+.60
Wolters Kl Dep Recs	99	+.70

NORWAY

SWEDEN (continued)

August 24	Kroner	+ or −
Investor B	139	—
Mo Och Dom B	228	−6
Nobel A	27	—
Nobel B	20.50	—
Procordia A	187	—
Procordia B	187	—
SCA A	134	−3
SCA B	133	−1
SKF A	110	−3
SKF B	109	−2
Sandviken A	118	−2
Sandviken B	118	—
Skan Enskilda C	74	−5
Skandia	153	−7
Skanska B	149	−3
Stora Kopp A	382	−13
Stora Kopp B	383	−12
Svka Handl B	127	−17
Sydkraft A	149	+2
Sydkraft C	146	−1
Trelleborg B	62	+.50
Volvo A	443	−7
Volvo B	442	−4

SWITZERLAND

August 24	Frs.	+ or −
Adia Intl (Br)	770	+5
Alusuisse-Lnz Br	567	−3
Alusuisse-Lnz Reg	555	−8
Baloise (Reg)	2,170	−10
Brown Boveri (Br)	885	−11
Brown Boveri (Reg)	172	−4
CS Hldgs (Br)	2,885	−5
Ciba Geigy (Br)	750	+5
Ciba Geigy (Reg)	704	+10
Elektrowatt (Br)	2,830	—
Elvia	1,715	+35
Fischer Geo (Br)	925	+5

JAPAN

CANADA

TORONTO

4 pm close August 24

Quotations in cents unless marked $

MONTREAL

4 pm close August 24

Total Sales 22,708,804 shares

INDICES

NEW YORK
DOW JONES

	Aug 23	Aug 20	Aug 19	Aug 18	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3608.98	3615.48	3612.13	3604.86	3615.48 (20/8)	3241.95 (20/1)	3615.48 (20/8/93)	41.22 (2/7/32)
Home Bonds	109.29	109.11	109.02	108.89	109.39 (23/8)	103.49 (11/1)	109.39 (23/8/93)	54.99 (1/10/81)
Transport	1631.56	1633.26	1654.63	1640.10	1683.08 (16/4)	1453.84 (4/1)	1683.08 (16/4/93)	12.32 (8/7/32)
Utilities	251.06	251.45	250.66	251.05	252.04 (6/8)	217.14 (8/1)	252.04 (6/8/93)	10.50 (8/4/32)

DJ Ind. Day's High 3630.57 (3639.37) Low 3578.87 (3580.55) (Theoretical)
Day's High 3615.48 (3615.48) Low 3585.64 (3595.62) (Actual)

STANDARD AND POOR'S

	Aug 23	Aug 20	Aug 19	Aug 18	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	455.23	456.16	456.43	456.04	456.43 (19/8)	429.05 (8/1)	456.43 (19/8/93)	4.40 (1/6/32)
Industrials♥	517.39	518.80	518.81	517.98	524.99 (10/3)	496.48 (26/4)	524.99 (10/3/93)	3.62 (21/6/32)
Financial	46.27	46.23	46.32	46.42	46.89 (12/8)	39.89 (8/1)	46.89 (12/8/93)	8.64 (1/10/74)
NYSE Composite	252.91	253.25	253.23	252.87	253.25 (20/8)	236.21 (8/1)	253.25 (20/8/93)	4.46 (28/4/42)
Amex Mkt. Value	448.51	448.70	447.95	446.63	448.70 (20/8)	395.84 (8/1)	448.70 (20/8/93)	29.31 (9/12/72)
NASDAQ Composite	730.86	730.96	730.48	734.83	734.83 (18/8)	645.87 (26/4)	734.83 (18/8/93)	54.87 (31/10/72)

	Aug 20	Aug 13	Aug 6	year ago (approx.)
Dow Industrial Div Yield	2.82	2.86	2.87	3.17
	Aug 18	Aug 11	Aug 4	year ago (approx.)
S & P Industrial div yield	2.48	2.52	2.53	2.62
S & P Ind. P/E ratio	25.60	25.14	25.09	29.06

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Merck	2,941,400	32½	- ¼
Chrysler	2,862,400	41⅝	+ ⅛
Home Depot	2,718,000	40⅞	- ⅛
IBM	2,632,500	44⅞	+ 1¼
Telefonos	2,257,900	53⅞	+ ⅝
Amer T & T	2,203,500	58⅛	- ⅛
Wal-Mart Stores	2,200,100	26	- ¼
GTE Corp	1,950,400	35	- ⅛
Fisher Price	1,733,500	32⅛	- ⅜
Humana	1,635,900	12⅝	- ¼

TRADING ACTIVITY

† Volume Millions	Aug 23	Aug 20	Aug 19
New York SE	308.615	274.634	291.711
Amex	13.359	18.314	24.710
NASDAQ	(u)	280.382	289.171
NYSE			
Issues Traded	2,610	2,632	2,602
Rises	942	1,010	970
Falls	1,021	945	976
Unchanged	647	677	656
New Highs	122	109	122
New Lows	17	17	12

CANADA
TORONTO

	Aug 23	Aug 20	Aug 19	Aug 18	1993 HIGH	1993 LOW
Metals & Minerals	3121.57	3120.60	3119.92	3120.23	3140.94 (16/8)	2743.31 (21/1)
Composite	4091.80	4077.30	4069.60	4068.31	4091.80 (23/8)	3275.80 (21/1)
MONTREAL Portfolio	1956.01	1950.06	1937.97	1932.02	1956.01 (23/8)	1720.97 (21/1)

Base values of all indices are 100 except NYSE All Common - 50; Standard and Poor's - 10; and Toronto Composite and Metals - 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ♠ The DJ Ind. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock, whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

	Aug 24	Aug 23	Aug 20	Aug 19	1993 HIGH	1993 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1934.2	1932.8	1927.1	1926.3	1932.80 (23/8)	1495.00 (13/1)
All Mining (1/1/80)	881.4	888.1	888.3	888.0	904.50 (2/8)	584.70 (13/1)
AUSTRIA						
Credit Aktien (30/12/84)	399.02	395.66	398.74	398.80	399.74 (20/8)	300.25 (14/1)
Traded Index (2/1/91)	995.78	987.38	1000.68	999.26	1009.70 (10/8)	712.06 (15/1)
BELGIUM						
BEL20 (1/1/91)	1337.12	1343.18	1348.69	1355.15	1365.70 (12/8)	1125.48 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	335.38	339.25	339.79	340.58	340.58 (19/8)	261.90 (4/1)
FINLAND						
HEX General (28/12/90)	1450.5	1456.7	1464.2	1492.9	1492.80 (19/8)	843.10 (22/1)
FRANCE						
CAC General (31/12/81)	578.77	580.80	583.24	590.29	590.29 (19/8)	471.24 (13/1)
CAC 40 (31/12/87)	2123.40	2111.37	2128.20	2139.20	2167.39 (11/8)	1772.21 (29/1)
GERMANY						
FAZ Aktien (31/12/58)	734.10	734.35	743.64	746.08	746.08 (19/8)	588.92 (14/1)
Commerzbank (1/12/53)	2090.6	2093.6†	2118.5	2123.8	2123.80 (19/8)	1684.30 (14/1)
DAX (30/12/87)	1897.89	1888.27	1922.68	1938.98	1938.98 (19/8)	1516.50 (13/1)
HONG KONG						
Hang Seng Bank (31/7/64)	7337.88	7368.42	7548.36	7605.26	7605.26 (19/8)	5437.80 (4/1)
IRELAND						
ISEQ Overall (4/1/88)	1735.47	1734.60	1746.65	1754.84	1754.84 (19/8)	1191.19 (11/1)
ITALY						
Banca Com. Ital. (1972)	616.66	618.68	613.66	617.60	618.98 (18/8)	446.33 (8/1)
MIB General (4/1/93)	1353.0	1361.0	1350.0	1359.0	1362.00 (18/8)	992.00 (11/1)
JAPAN						
Nikkei (16/5/49)	20431.84	20414.14	20680.26	20687.47	21076.00 (3/8)	16287.45 (25/1)
Tokyo SE (Topix) (4/1/68)	1642.31	1644.18	1659.19	1664.76	1688.04 (18/8)	1250.06 (25/1)
2nd Section (4/1/68)	2228.08	2233.67	2241.48	2248.47	2284.97 (7/8)	1651.72 (28/1)
MALAYSIA						
KLSE Composite (4/4/86)	805.47	805.26	805.51	795.92	805.51 (20/8)	614.28 (13/1)
NETHERLANDS						
CBS Ttl Rtn Gen End 1983	375.9	374.3	375.2	375.3	376.30 (19/8)	285.70 (4/1)
CBS All Shr End 1983	246.7	245.6	246.2	246.3	246.90 (13/8)	198.60 (13/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	921.64	929.77	947.47	948.94	979.17 (13/8)	669.93 (27/1)
PHILIPPINES						
Manila Comp (2/1/85)	1793.52	1796.05†	1775.76	1780.84	1796.05 (23/8)	1270.68 (4/1)
SINGAPORE						
SES All-Singapore (2/4/75)	498.55	499.16	501.40	494.37	501.40 (20/8)	394.10 (13/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1798.0♥	1778.0	1771.0	1789.0	2038.00 (30/7)	775.00 (6/1)
JSE Industrial (28/9/78)	4617.0♥	4620.0	4610.0	4618.0	4719.00 (6/7)	4332.00 (19/4)
SOUTH KOREA**						
Korea Comp Ex (4/1/80)	715.03	727.06	729.86	737.97	777.25 (3/8)	605.93 (6/3)
SPAIN						
Madrid SE (30/12/85)	291.10	291.10	291.89	291.96	291.96 (19/8)	215.60 (4/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1299.8	1291.6	1309.5	1328.3	1339.10 (18/8)	879.10 (26/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	1070.2	1064.1	1065.0	1070.1	1072.00 (18/8)	904.80 (11/1)
SBC General (1/4/87)	849.1	846.2	848.5	852.0	853.20 (18/8)	678.70 (11/1)
TAIWAN**						
Weighted Price (30/6/66)	3977.37	4006.57	4045.61	4093.41	5013.28 (7/4)	3088.43 (9/1)
THAILAND						
Bangkok SET (30/4/75)	943.83	949.50	958.68	955.35	998.44 (25/1)	818.84 (1/6)
WORLD						
M.S. Capital Intl.(1/1/70) $	592.8*	593.4	594.5	602.0	602.00 (19/8)	488.60 (13/1)
Euro Top-100 (26/6/90)	1113.53	1112.53	1122.25	1129.10	1132.14 (18/8)	862.73 (13/1)

**Saturday August 21 Taiwan Weighted Price 4020.35, Korea Comp Ex 734.39.
♥ Subject to official recalculation. † Correction. *Calculated at 15.00 GMT

Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen, MIB Gen, CAC40, Euro Top-100, ISEQ Overall and DAX - 1,000, JSE Gold - 255.7, JSE 20 Industrials - 264.3 and Australia All Ordinary and Mining - 500. (c) Closed. (u) Unavailable

TOKYO - Most Active Stocks
Tuesday, August 24, 1993

	Stocks Traded	Closing Prices	Change on day
Bank Yokohama	3.3m	1,090	-20
Sharp Corp	3.0m	1,460	
Nikkatsu	2.8m	18	-1
Sanyo Elec	2.4m	446	+23
Nippon Steel	2.4m	370	-3
Mitsubishi Elec	2.1m	548	-4
Hitachi	1.8m	830	-12
Ricoh	1.5m	795	-13
Nikon Corp	1.4m	921	+21
NEC Corp	1.4m	891	

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close August 24

1993 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
14⅝	11½	AAR Corp	0.48	3.6	82	128	13¼	13	13¼	+⅛
29⅞	13¾	A L Labs A	0.18	0.9	38	411	19⅛	18⅝	19	+⅛
65⅞	54⅝	AMP Inc	1.60	2.5	22	2442	64¾	63⅞	64¼	-⅛
72⅝	55½	AMR			17	4325	69⅞	65⅝	65⅞	+⅜
3⅜	1¾	ARX			12	595	3⅛	2⅞	3⅛	+⅛
51½	29⅞	ASA	2.00	4.4	29	500	45½	44⅞	45¼	+⅛
30¾	22⅝	Abbott Lab	0.68	2.6	16	4088	26	25¾	25⅞	-⅛
12⅝	9½	Abitibi Pr	0.50	5.2	4	8	9¾	9⅝	9⅝	-⅛
15¼	8¼	[illegible]			40	20	14¾	14⅝	14¾	+⅛
36	25½	ACE Ltd	0.40	1.2		4528	34¼	33⅝	34	-1
12	10⅞	ACM Gvt In	0.95	8.7		398	11⅛	11	11	
10	9⅜	ACM GvOpp	0.80	8.3		19	9⅞	9¾	9¾	-⅛
9⅞	8¾	ACM Gvt Sp	0.80	8.8		783	9⅜	9¼	9¼	
11⅝	10½	ACM Gvt Se	0.96	8.8		719	11	10⅞	10⅞	
11⅝	9⅝	ACM Man	1.08	9.6		130	11¾	11¼	11¼	-⅛
9⅞	8⅝	ACM Managd	0.72	7.7		158	u9⅝	9⅜	9⅜	+⅛
12⅝	7⅞	Acme Cleve	0.44	4.5	13	929	9⅞	9⅝	9¾	-⅛
9¼	6½	Acme Elect			233	144	7⅛	6⅞	7	-⅛
28⅜	18⅝	Acordia	0.44	1.8	14	45	24⅞	24⅝	24¾	-⅛
16	10⅞	Acuson			32	207	11¾	11⅝	11⅝	-⅛
21¾	19	Adams Expr	0.48	2.5	1	236	19⅝	19¼	19½	+⅛
66¼	45½	Ad Micro	3.00	4.7		357	64⅜	63⅞	63⅞	-⅜
32¾	17⅞	Ad Micro P	3.00	9.7	12	7424	31⅝	31	31	-½
7¾	5½	Advest Grp	0.16	2.3	12	204	7	6⅞	7	
24⅞	16⅛	Advo Inc	0.08	0.5	19	226	17⅝	17¼	17⅝	+½
48⅝	41⅛	Aegon ADR	2.55	5.1	9	352	48¼	48	48¼	+¼
60½	43⅜	Aetna Lf	2.76	4.7	41	1697	58¾	57⅝	58¾	+¾
14½	11⅛	Ahll A	0.26	1.8	30	2503	14¼	14⅛	14¼	
33⅞	26⅛	Allan	0.40	1.2	16	1203	33¾	33⅛	33½	-¼
22⅛	16⅛	Ahmanson	0.88	4.4	23	2134	20	19½	19⅞	+⅜
7¾	4	Aileen Inc			8	144	4½	4¼	4¼	-⅛
48½	37½	Air Pr Chm	0.92	2.1	17	3977	43⅞	43	43⅜	-⅛
26½	18⅛	Airbrne Frt	0.30	1.4	26	670	22⅛	21⅞	21⅞	-⅛
37½	18¼	Airgas Inc			40	83	36⅞	36½	36½	
15⅞	10½	Airlease	1.60	10.8	11	18	14¾	14⅝	14¾	-⅛
105½	101	AlaPw8.16	8.16	7.9		1	103¼	103¼	103¼	
107	102½	Alab 8.28C	8.28	7.9		1	104¾	104¾	104¾	
18	12¼	Alaska Air	0.20	1.5	2	304	13	12⅞	13	
19	14¼	Albany Int	0.35	1.9	61	26	18½	18⅜	18½	
28¼	20⅞	AlCulvr B	0.28	1.2	15	108	21⅛	20¾	21	+⅛
25¼	17	AlCulvr A	0.26	1.5	13	125	17½	17⅜	17½	
59¼	46¾	Albertsons	0.72	1.3	22	3188	56¼	54⅞	55½	-⅛
21⅝	16⅞	Alcan Alum x	0.30	1.5	32	2538	20⅝	20⅜	20⅝	+⅛
50⅝	35⅜	Alco Stand	0.96	2.1	19	1445	45½	45⅛	45⅜	+⅛
27⅞	19⅝	AlexBrown	0.60	2.2	6	437	27⅝	27¼	27½	
28⅞	24	Alexr Alex	1.00	4.0	27	375	25¼	24⅞	25⅛	+⅛

1993 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29⅞	24⅜	Bay St Gas	1.42	5.2	14	58	27⅜	27¼	27⅜	+⅛
25	22	Bq Tr 1638	1.72	7.2		7	23⅞	23⅞	23⅞	
23¾	15	Bear Stms	0.60	2.6	8	928	23⅛	22⅞	23⅛	+⅛
50	45½	BearStPfA	2.75	5.5		6	u50	50	50	+⅛
24¾	20½	Bearings	0.64	2.7	19	155	23¾	23¾	23¾	-⅛
25½	19¾	Beckman In	0.36	1.6	13	355	22⅜	22¼	22¼	
40¾	32⅝	Becton Dic	0.68	1.8	13	1324	37⅜	35⅞	37⅜	+1½
35	28⅝	Belding Hy	0.64	2.1	34	32	30¼	30⅛	30¼	
60⅛	49⅝	Bell Atlan	2.68	4.6	17	6480	58½	58¼	58½	+1⅛
14⅞	8½	Bell Indus	0.40	2.7	19	72	u15	14¾	14⅞	+⅛
58¾	50⅝	BellSouth	2.76	5.0	17	4843	55⅝	54⅛	55⅝	+1
49⅞	38¾	Belo AH A	0.56	1.2	22	131	48	47½	47⅞	-⅛
27⅞	19⅞	Bemis	0.50	2.3	19	1017	22	21	21¾	+¾
63¼	54	Benef 4.3P	4.30	6.8		3	63½	63½	63½	+¾
77¼	62½	Benef	2.80	3.7	13	697	76	74¾	76⅜	+⅞
28¼	18¼	Benetton A	0.42	1.5	14	7	29⅛	28⅝	28⅞	+1⅛
1⅞	⅞	Benguet B	0.04	3.8	9	255	1⅛	1	1⅛	
14¼	10⅞	Berry Petr	0.60	5.5	34	108	11	11	11	+⅛
49½	32⅝	Best Buy			27	1143	48⅛	47½	47⅞	+⅛
29⅝	25¼	Beth St 2	2.50	9.3		23	27	26¾	26⅞	+⅛
57⅞	50¼	Bethlhm Pf	5.00	9.5		38	52¾	52⅜	52¾	+¼
20⅞	13⅞	Bethlhm St	0.40	2.8	6	11866	14¼	13⅞	14⅛	+⅜
52⅞	44	Betz Lab	1.40	2.8	18	394	49½	49¼	49½	
14⅞	9⅝	Beverly En			100	27926	10¼	9¾	10	-⅛
35	15¾	Biocraft	0.10	0.4	63	417	27¼	26¾	26⅞	-½
27⅞	20¾	Birmingh S	0.40	1.6	42	1021	25⅞	24⅞	25¼	+⅜
22¼	16⅝	Black & D	0.40	2.0	24	2833	20⅜	20⅛	20¼	+¼
28¼	24⅝	Black H PL	1.28	4.9	15	60	26½	25⅞	26¼	-⅛
11	10⅛	BlckrckAdv x	0.82	7.8		188	10⅝	10½	10⅝	
9½	8½	Blckrckinc x	0.85	9.4		571	9	8⅞	9	
10⅛	10	BlckrckTgt x	0.80	7.8		250	10⅜	10¼	10¼	
55	37⅞	Block H&R	1.12	2.9	22	5118	38⅝	37¾	38⅝	+⅝
28⅞	15⅞	Blockbustr	0.10	0.4	30	3720	u28⅞	28⅛	28⅞	+½
8½	7⅝	Blue Chip	0.80	9.7		119	8¼	8⅛	8¼	
14⅛	9¼	BMC Ind			9	157	14	13⅞	13⅞	
41	33⅞	Boeing	1.00	2.6	9	3722	39¼	38⅞	39	-¼
27⅛	19½	Boise Casc	0.60	2.8	6	847	21⅞	20⅞	21⅛	+¼
14⅛	4⅛	Bolt B & N	0.06	0.5	6	1315	13⅝	12⅞	13⅛	-¼
17⅛	9⅛	Bordn Chm	0.72	7.3	123	428	9⅞	9⅝	9⅞	+¼
24⅛	12⅝	Bordn Ch U	1.24	7.8	15	683	16¼	15⅝	16	
29⅛	14¾	Borden Inc	0.60	3.7	7	7643	16⅛	15½	16⅛	+½
19½	16⅛	Bostn Celt	1.25	6.5	21	17	19⅛	19	19⅛	
107	100⅝	Bostn Ed 8	8.88	8.7		z100	101	101	102	
24⅝	19	Bowater	0.60	2.9	9	582	20½	20	20⅜	+⅛
18⅞	13⅞	Brazil Fnd	0.27	1.5		1130	18½	17⅞	17⅞	-½
38⅞	32⅛	BRE Prop	2.40	6.8	11	94	35⅝	35	35	-⅝
80¼	46¾	Briggs & S	1.76	2.3	15	1646	77⅝	77⅛	77⅝	
37⅛	27.30	Brinkerinr			34	1016	36⅛	35½	36⅛	
67¼	50⅞	Bristol M	2.88	5.2	17	10455	55¾	54¾	55⅜	+¼
54⅛	40	Brit Airwy	3.00	5.8	14	256	52⅛	51¾	51⅞	+⅛
51¾	40⅜	Brit Gas	2.79	5.5	12	2105	50¾	50½	50¾	+¼
60¾	42⅛	BP ADR x	1.88	3.4	18	4355	56⅛	55½	56⅛	+1⅛

1993 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
67⅞	47¼	Kellogg Co	1.36	2.6	19	1256	52⅞	51⅞	52⅞	+⅞
31¾	23¾	Kellwood	0.80	2.6	14	169	31⅛	30¼	31	+⅞
11⅝	10¼	Kemp Multm	1.08	9.4		195	11½	11⅛	11½	+⅛
43	28⅞	Kemper	0.92	2.3	8	2632	39⅝	39⅞	39⅞	+1
10½	9¾	Kemper Hi	0.96	9.0		288	10⅝	10¼	10⅝	-⅛
9¾	8⅝	Kemper IGv	0.70	8.1		344	8¾	8½	8⅝	+⅛
13¾	12½	Kemper Mun	0.87	6.5		104	13⅜	13¼	13⅜	
13⅝	12½	Kemper Str	0.90	6.9		61	13¼	13⅛	13⅛	-⅛
39¾	28	Kennametal	1.16	3.1	20	506	37⅞	37¼	37⅞	+¾
22¼	19⅝	Kerr G 1.7	1.70	8.3		3	20½	20½	20½	+¼
58⅞	41¾	Kerr McGee	1.52	2.7	159	2610	u58	55¼	55¾	+⅛
46	34½	Keycorp	1.24	3.2	11	1881	39⅛	38⅝	39⅛	+½
12¼	7¾	Keystn Con			18	64	10	9¾	10	+⅛
29⅛	23	Keystn Int	0.72	2.9	20	1366	24½	24⅛	24½	
62	44⅞	KimberlyCl	1.72	3.6	22	3907	48⅞	46⅞	48⅜	+2

- L -

1993 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
13⅛	8⅛	LA Gear			2	1386	9⅞	9⅛	9⅛	
41½	33¾	LG & E En	2.01	4.9	16	86	41⅝	41	41¼	+⅛
19¼	10⅛	LSI Logic			8	4808	18¼	17⅞	18⅛	

- O -

1993 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11	7	O H M Co			46	445	10½	9¾	10⅛	+⅝

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4 pm close August 24

NYSE COMPOSITE PRICES

Continued from previous page

- X - Y - Z -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
88⅞	70¼	Xerox	3.00	4.0	28	3668	74⅛	72⅞	74⅛	+1¼
56½	51½	Xerox4.125	4.12	7.6		5	54¾	54¾	54¾	
50½	31¼	Xtra Corp	0.48	1.0	19	355	47	46⅞	47	
28	19½	Yankee Egy	1.16	4.8	14	31	24¾	24¾	24¾	-⅛
1¾	⅝	Zapata			16	346	1⅛	1	1⅛	
10½	5⅞	ZenithElec			2	765	7⅝	7⅛	7¼	
29¾	19⅝	Zenith Nat	1.00	3.6	18	11	28	28	28	
8	5½	Zenix Inc x	0.82	10.5		235	7⅞	7¾	7¾	-⅛
15⅛	12¾	Zero Corp	0.40	2.8	19	168	14½	14⅜	14⅜	
40¾	30⅛	Zurn Ind	0.88	2.7	14	275	32¾	31⅝	32⅛	+⅜
13¾	12⅝	Zweig Fund	1.12	8.6		207	13⅛	13	13	-⅛
10¾	9⅞	Zweig Tot	0.96	9.0		849	u10¾	10⅝	10⅝	

Price data supplied by Telekurs

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

NASDAQ NATIONAL MARKET

4 pm close August 24

- J -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
J&J Snack		27	293	19⅛	18⅝	18¾	-½
Jason Inc	0.26	24	390	10¼	9½	10	+⅜
JLG Ind	0.25	106	3	16⅜	16	16	
Johnson W		22	111	21¼	20¼	20½	-¾
Jones Int		5	1202	14	13	13⅝	+⅜
Jones Med	0.08	25	637	13	12¼	12¾	+½
Joslyn Cp x	1.16	13	4	28	27¼	28	+¾
JSB Fin	0.64	13	729	25	24⅝	24⅞	+⅛
Juno Ltg	0.24	17	819	16	d15¾	16	+¼
Justin	0.16	16	359	19¼	18½	19¼	+¾

- K -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
K Swiss		12	1575	21½	19½	20	-¾
Kaman Cp	0.44	10	271	10⅜	10⅜	10⅜	
Karcher C	0.08	28	497	8½	7⅞	8½	+½
Kaydon Cp	0.36	14	539	23½	22¾	23	
KelleyOil		134	981	15¼	14½	14¾	
Kelly Sv x	0.64	28	380	31	29¾	31	+1¼
KenCentrl	0.44	1	1187	3¾	3⅝	3⅝	
Kentucky	0.11	6	3	7¾	7¾	7	
Kimball	0.84	20	42	30¼	29	30¼	+1¼
Kirschner		450	22	10	9½	9	+¼
KLA Instr		67	1929	u24	23¼	23¾	+¼
Knowledge		5	374	10¾	10	10½	-¼
Komag Inc		18	1590	23	22½	22¾	+⅛
Kulicke S		660	1806	28	27⅞	27¾	

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
PioneerGp	0.48	18	47	45	44	45	+¼
PioneerHi	0.56	17	3618	32¾	32¼	32¼	-⅛
PioneerSt	0.12	14	276	22¼	21¼	21½	+¼
Ponce Fed		4	20	7⅞	7⅜	7⅞	+⅜
Powell		6	39	6½	d6¼	6¼	-¼
Pres Life	0.09	6	1362	8⅝	8⅜	8⅝	+⅛
Presstek		67	682	19	18¼	19	+½
Preston	0.12	1	14	4⅛	4	4	
Price Co		15	3669	35⅜	34½	35¼	+⅜
Pride Pet		93	1242	5⅝	5⅜	5⅝	+⅛
Printronx		11	13	7	6¾	7	
Prod Ops	0.24	19	85	24¼	23½	24¼	
ProtectLf	1.04	13	571	u42½	40¾	42½	+1½
Pulitzer	0.54	12	610	29½	29	29	
Puritan B x	0.12	15	516	19¼	18¼	18⅞	+⅛
Pyramid		10	5189	u21½	20¾	21⅛	+⅜
QuadraLog		15	75	8⅞	8½	8⅞	+¼
QuakerChm	0.80	22	13	19	18	18⅛	-⅛
Qual Food	0.20	23	684	33⅝	31½	33	+1
Quantum		7	2908	12¾	12⅝	12¾	
Quicksilv		21	587	11⅜	10⅝	11⅛	+¼
QVC Netwk		44	3865	65¾	63½	65¼	+1⅛

- R -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Rainbow		25	326	29¾	28½	28¾	-½
Rallys		18	681	14¼	14	14	-¼
Rasterops		7	4088	u11¼	10⅛	11	+¾
Raymond		25	387	19¼	18¼	18¼	
Recoton		17	24	21⅜	20¾	20¾	

AMEX COMPOSITE PRICES

4 pm close August 24

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Acton Cpr		0	21	4⅛	4	4	
Adv Magn		50	124	10½	10	10	-½
Air Expr	0.20	13	154	21⅝	21	21⅜	+¼
Alfin Inc		2	3	1⅛	1⅛	1⅛	
Alpha Ind		12	696	u4⅞	4¼	4½	-⅛
Am Isr Pa	0.52	9	z100	32	32	32	
AmMaize A	0.64	47	40	14¾	d14½	14⅝	-⅛
Amdahl Cp	0.05	1	2427	4⅞	4⅝	4⅝	-⅛
Am Expl		1	432	1⅛	1⅛	1⅛	
Ampal-AmA		45	15	8⅛	8	8⅛	
ASR Invs	0.80	0	102	7⅞	7⅞	7⅞	
Astrotech		25	151	3¼	3⅛	3⅛	
Atari		3	1706	4⅜	3¾	4⅜	
AtlasCM B		1	123	⅞	⅞	⅞	
Audiovox A		11	105	11⅞	11⅝	11¾	
B&H Ocean	0.55	1	z100	2⅛	2⅛	2⅛	
BadgerMtr	0.66	44	3	20¾	20¾	20¾	
Baldwin1 A	0.04	52	75	4⅛	4⅛	4⅛	
Barry RG		2	11	8	7⅞	8	
BAT Ind	0.29	12	1050	7⅛	7⅛	7⅛	
Beard Oil		0	78	[illegible]	[illegible]	[illegible]	
Bergen Br	0.40	11	252	17¼	17⅛	17¼	-⅛
Binks Mnn	1.00	91	z100	22¾	22¾	22¾	
Bio-Rad A		15	61	13⅝	13⅝	13⅝	
Blount A	0.45	23	105	15½	15⅛	15⅛	
Bolar Ph		45	206	6⅝	6⅝	6⅝	
Bow Valley		53	47	11⅜	11⅜	11⅜	
Bowmar		13	50	1⅛	1¼	1⅛	
Bowne	0.30	11	237	19½	19⅜	19⅜	-⅛
Brascan A	1.04	10	212	10½	10	10	
Cal Engy		17	1344	17⅝	17⅝	17⅝	
Calprop		0	103	[illegible]	[illegible]	[illegible]	
Cambrex	0.20	14	19	20⅞	20⅞	20⅞	+⅜
Can Marc	0.28	14	4	11⅞	11¾	11⅞	
Cmbra A	0.01	4	383	3⅞	3⅞	3⅞	
Chambers		8	22	4	3¾	4	+½
Champion		21	666	15⅝	14¾	14⅞	-¼
Chiles		18	3867	u6⅞	6	6½	+½
Cltd FdA	0.01		38	5⅛	5	5	-⅛
Cominco	0.30	9	182	12¼	11⅞	12¼	
Computrac		23	55	1⅛	1⅛	1⅛	
Concd FbA		8	7	6⅞	6⅞	6⅞	
CrossAT A	0.64	275	438	13¾	13¼	13¾	+⅜
Crown C A	0.40	9	z100	15⅞	15⅞	15⅞	
Crown C B	0.40	11	75	13¾	13¾	13¾	
Cubic	0.53	155	15	22⅛	21¾	21¾	-⅛
Customedix		10	438	2⅛	d2¼	2⅛	-1/16
Di Inds		12	125	1⅛	1⅛	1⅛	
Dimark		27	63	u28⅛	27⅛	28⅛	+⅜
Ducommun		6	21	4	3⅞	4	
Duplex	0.48	28	6	11⅛	11⅛	11⅛	+⅛
DWG Corp		15	1249	u27¼	26⅞	27	+½
Easco Co	0.46	15	3	11⅝	11⅝	11⅝	+⅛
Eastgroup	1.52	16	27	u21⅛	20⅞	21⅛	
Echo Bay	0.07	44	8723	12⅛	11⅞	12	+¼
Ecol En A	0.26	15	28	17¼	16⅞	16⅞	-⅜
Edisto Rs		8	158	10⅛	9⅞	10⅛	+⅛
Engy Serv		20	8558	3⅛	3	3⅛	
Epitope		11	160	17½	17¼	17⅜	-⅛
Fab Inds	0.50	12	130	33	32½	33	+⅜
Fina Inc A	2.20	11	z100	64½	64½	64½	+¼
FstCtyBnc	0.30	11	23	u11½	11½	11½	
Fluke (J)	0.52	15	44	24½	24⅛	24½	+⅛
Forest La		22	895	33⅝	32	33⅝	+⅜
Frequency		3	82	5½	5	5½	
Fr ofLoom		12	2016	33	31¾	32⅞	+⅞
Garan	0.80	10	21	34	34	34	
Giant FdA	0.70	15	289	24⅛	23⅞	24¼	+⅛
Glatfltr	0.70	20	271	16⅞	16⅝	16⅞	+⅛
Goldfield		15	1877	⅜	⅜	⅜	
Greenman		18	678	4⅞	4⅝	4⅞	+¼
Gulf Cda	0.34	2	472	4	3⅞	4	+⅛
Hasbro	0.24	17	1987	37	36⅝	37	+⅛
Health Ch		6	31	3¾	3⅝	3¾	+⅛
Healthwst		1	121	2⅞	2⅞	2½	-1/16
Heico Cp	0.15	29	z100	10⅛	10⅛	10⅛	
Hilhaven		8	1425	3	2⅞	2⅞	-⅛
Horn&Hdt		62	1523	5	4⅝	4⅞	+¼
HvenianA		29	205	14	13½	13⅝	-⅜
ICH Corp		4	1595	5⅞	5⅝	5⅞	+½
InstronCp	0.12	21	345	10⅜	10⅛	10⅛	-⅛
Int. Coms		5	1362	6⅛	5⅞	6	-¼
Intermagn		35	588	15¼	14⅞	14⅞	-¼
Intermark	0.12	0	159	[illegible]	[illegible]	[illegible]	
IntTelchg		0	380	[illegible]	[illegible]	[illegible]	
Jan Bell		295	1157	9	9	8⅞	-⅛
Ketema		9	76	10⅞	10⅛	10⅞	+⅜
Kinark Cp		16	13	4⅝	4½	4⅝	+⅛
Kirby Exp		27	3432	20⅛	19½	19½	-½
Lafarge		9	51	1⅛	1⅛	1⅛	
Laser Ind		21	106	7⅞	7½	7⅞	+⅛
Lee Pharm		40	97	1⅛	1⅛	1⅛	-1/16
Lionel Cp		0	240	[illegible]	[illegible]	[illegible]	
Lumex Inc		11	13	12⅝	12⅛	12⅝	+⅜
Lynch Cp		12	5	22½	22½	22½	+¼
MatecTSc		21	98	20¾	20⅝	20⅝	-¼
Maxxam		5	69	31⅜	30¾	31¼	+⅜
Media A	0.44	30	754	u24⅞	23	24⅛	+1⅜
Mem Co	0.20	2	30	4½	4¼	4¼	
Moog A		60	24	8⅛	7⅞	7⅞	-⅛
MSR Expl		2	121	[illegible]	[illegible]	[illegible]	
Nat Pat		3	218	3⅝	3⅜	3¼	-⅛
New Line		31	1360	20¼	19⅞	20⅛	
NY TimesA	0.56	410	2277	25	24½	24⅝	-⅛
NthCanOil	0.20	22	5	12⅝	12⅜	12⅝	+¼
Numac O&G		84	23	u6⅞	6¼	6¾	-⅛
NV Ryan		1	601	½	⅜	7/16	+1/16
Odetics A		133	10	8	8	8	
Olsten	0.24	29	1248	28⅞	26	28¼	+¼
Pegasus G	0.10	65	952	24⅞	24	24⅝	+⅜
Perini	0.80	2	25	10⅝	10⅝	10⅝	-⅛
Pet HsBP	1.88	11	z100	20½	20½	20½	
Pitt DM	0.23	11	225	41¾	41⅜	41¼	-¼
Pittway A	0.50	11	505	22⅛	21⅞	21⅞	-¼
Ply Gem	0.12	19	97	13⅛	12⅞	12⅞	-¼
PMC	0.80	16	113	13⅛	13⅛	13¼	
PresidioA	0.10	1	2180	1⅞	1⅝	1⅞	+1/16
RagunBrad		34	2	26	26	26	-½
RB&W Cp		3	61	6⅛	6⅛	6⅛	
RiedelEnv		56	371	5⅞	4⅞	5⅛	+⅝
SJW Corp	2.04	12	3	38	38	38	+¼
SthnUnion		22	5	20⅞	20⅞	20⅞	-⅛
Sterl El	0.04	13	362	8½	8¼	8⅜	
TIE Ind		39	255	2⅞	2¾	2⅞	-⅛
Tab Prods	0.20	19	326	7⅞	d7½	7⅞	-⅛
Tel&Data	0.34	65	1236	48⅝	48⅛	48½	-⅛
Thermedics		83	1185	u21⅛	20⅝	20⅞	-⅛
Thermotrex		33	352	u29⅞	28⅞	29⅝	+⅜
Total Pet	0.40	20	920	8½	8⅛	8⅜	+¼
TownCntry		0	10	2⅝	2½	2⅝	+⅛
Tubos Mex		5	502	4½	4⅛	4⅛	
UtdFoodsA		4	2	1⅜	1⅜	1⅜	
UtdFoodsB	0.20	87	14	1⅜	1⅜	1⅜	
UnivPats		30	8	7⅞	7¾	7⅞	
US Cellul		125	274	u30⅛	30	30	
WeatherFd		43	1414	12⅜	11⅞	12¼	+¼
Westamer	0.56	19	32	28¾	26	28¼	+¼
WRET x	1.12	19	219	14	13⅞	14	+⅛
Wortham	0.20	10	77	24¾	24⅝	24⅝	-⅛
Xytronix		9	140	10	9¾	10	

AMERICA

Airlines, cyclicals up as Dow peaks again

Wall Street

US stock markets advanced further into record territory yesterday morning amid futures-related buying and continued strong demand for cyclical and airline stocks, *writes Patrick Harverson in New York.*

At 1 pm, all the major indices were at new record highs. The Dow Jones Industrial Average was up 17.32 at 3,656.28. The more broadly based Standard & Poor's 500 was 2.21 higher at 461.98, while the Amex composite was up 0.97 at 256.12, and the Nasdaq composite up 1.45 at 736.59. Trading volume on the NYSE was 175m shares by 1 pm.

Low interest rates, the lack of alternative attractive investments, and slowly-building confidence in the economic outlook have been cited as the main factors behind the markets' recent record-breaking run. That run showed no sign of faltering yesterday, as heavy buying of stock futures and sustained demand for cyclical and other economically-sensitive stocks continued to push prices to new highs.

Investor sentiment is so strong, in fact, that it can brush off seemingly bad economic news, such as yesterday's 3.8 per cent decline in July durable goods orders. That headline number, however, was not as bad as it looked, because the decline was entirely the result of lower aircraft orders: excluding the transportation component, orders actually rose last month. Investors were also cheered by good news from the housing market, where existing home sales rose 5.4 per cent in July.

Airline stocks were in demand after the securities house, First Boston, raised its rating for Delta Air Lines from a "hold" to a "buy". Delta climbed $2¼ to $55¼, AMR, parent of American Airlines, rose $1⅞ to $67¾, USAir rose $½ to $16½, and UAL firmed $3⅝ to $150.

Cyclicals remained firm. Ford rose $¼ to $52⅝, General Motors added $½ at $47¾ and Chrysler added $½ at $42⅝. Caterpillar, which led the market higher on Tuesday, added another $1½ at $82⅝. General Electric firmed $¼ to $98⅞, and Minnesota Mining & Manufacturing put on $¾ at $108.

Philip Morris was a notably poor performer, dropping $3 to $48⅛ in volume of 4m shares after the broking house, Smith Barney Shearson, lowered its rating on the stock from "outperform" to "neutral" because of the company's failure to raise its dividend.

Toys R Us rose $1 to $36⅞ in busy trading on press reports that the company plans to open Books R Us departments in its main toy stores following the success of a pilot scheme.

Bell Atlantic jumped $1⅝ to $60¼ on the news that a federal court had ruled that the company can enter the video-programming business.

Canada

TORONTO finally broke through its previous record high in morning trading after nudging ever closer during the last few days. At midsession the TSE-300 composite index was up 7.91 at 4,120.15, with the financial services sub-index 11.01 higher at 3,081.82.

Among the most active stocks at midsession, Mitel Corp was up C$¼ at C$8⅝ and Placer Dome up C¼ at C$27⅛.

ASIA PACIFIC

Trading concentrates on telecoms as Nikkei rises

Tokyo

ARBITRAGE-linked trading dominated activity and share prices followed the futures market, closing higher in thin volume, *writes Emiko Terazono in Tokyo.*

The Nikkei average gained 89.61 at 20,521.45, finishing above the 20,500 level for the first time since August 16. The index fluctuated between 20,542.35 and 20,412.24 on technical trading as most investors remained on the sidelines.

Volume was 200m shares, against 172m on Tuesday, as advances led declines by 553 to 368, with 231 issues unchanged. The Topix index of all first section stocks rose 6.96 to 1,649.27 and, in London, the ISE Nikkei 50 index firmed 1.91 to 1,261.40.

Some investors were wary ahead of the last trading day for August delivery today. Many market participants were also discouraged by the June diffusion index, the leading indicator for the economy, which fell below the critical 50 per cent level for the second consecutive month.

Trading concentrated on telecommunication-related issues following the successful auction on Tuesday for DDI, a new long distance telecom company. The public offer price, the weighted average of the successful auction bids, was fixed at Y3.7m.

Short-term trading of DDI related issues is expected to heighten ahead of DDI's listing on the TSE's second section on September 3. Kyocera, DDI's leading shareholder, moved forward Y20 to Y6,180.

Dealers bought Nippon Telegraph and Telephone, which rose Y5,000 to Y938,000, while Fujitsu put on Y11 at Y791.

Banks were higher on bargain hunting. The sector had lost ground following the yen's rise, which had depressed hopes of a cut in the official discount rate. Industrial Bank of Japan advanced Y50 to Y3,390 and Mitsubishi Bank appreciated Y50 to Y2,900.

Housing-related shares were bought on reports that interest rates on housing loans will fall in October following the cuts in short and long-term prime lending rates by commercial banks. Mitsui Fudosan improved Y10 to Y1,320 and Daikyo Y30 to Y1,290.

In Osaka, the OSE average ended 71.64 higher at 22,459.27 in volume of 39.1m shares. Nintendo, the video game maker, advanced Y240 to Y10,100.

Roundup

WALL STREET'S overnight gains did relatively little for the Pacific Rim.

AUSTRALIA crept lower, the All Ordinaries index finishing 1.6 off at 1,922.6 as turnover rose from A$408m to A$434m.

News Corp slipped 13 cents to A$9.32 as its 72 per cent jump in net profits was described as below expectations. Caltex Australia, the petroleum refiner and marketer, closed 13 cents ahead at A$2.59 after its half-year results pleased oil analysts.

NEW ZEALAND saw another big business but the NZSE-40 index subsided by 18.79 to 1,984.08 as investor worries about industrial relations at Telecom, and profit-taking in Brierley, weakened the two key stocks. Telecom receded 9 cents to NZ$3.97 and Brierley dipped 5 cents to NZ$1.16. Turnover came to NZ$68m.

HONG KONG fell on worse than expected profits for airline Cathay Pacific, weakness in property shares, and futures linked trade. The Hang Seng index shed 62.10 to 7,265.58 in its fourth straight decline.

Cathay's 46 per cent drop in first-half profits left it 40 cents lower at HK$10. Among properties, Sun Hung Kai Properties lost HK$1.25 at HK$36.25 after Tuesday's major bank decision to tighten mortgage lending.

SEOUL's composite index fell a further 9.93 to 705.10, investors staying away as brokers said economic fundamentals were weak. Turnover shrank from Won298bn to Won253bn.

KARACHI finished lower on selling by short-term operators and the absence of institutional buying, the KSE index sliding 14.31 to 1,325.35.

SINGAPORE approached its all-time high again, the Straits Times Industrial index ending 21.22 up at 1,976.09. Kay Hian James Capel rose sharply on expectation that the stockbroker will do better in the second half, after a very good set of interim results, as the market's bull run continues: the registered shares added 11 cents at S$1.61.

KUALA LUMPUR was mixed but property issue Lion Land saw strong afternoon buying on renewed talk of a timber deal. The KLSE composite index edged up 0.25 to 805.72 as Lion climbed 58 cents to M$4.12 in 18.4m volume on a strong rumour linking it with Sabah Forest.

BANGKOK advanced on late buying of banks and small finance companies, the SET index finishing 8.50 ahead at 952.33 in turnover up from Bt5bn to Bt5.4bn. JAKARTA hit another year's high as the JKSE index rose 4.86 to 398.49 on strength in the banking and manufacturing sectors.

SOUTH AFRICA

THE downwards drift in gold shares on the back of a weaker bullion price deepened near the close, but industrials held on to small gains. The golds index lost 32 to 1,756 while industrials rose 7 to 4,624. The overall index shed 6 to 4,045.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND *REGIONAL MARKETS*	TUESDAY AUGUST 24 1993								MONDAY AUGUST 23 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Year ago (approx)
Australia (69)	144.10	–0.8	142.76	94.46	125.98	143.86	–0.5	3.49	145.31	143.39	94.84	127.57	144.59	146.94	117.39	128.79
Austria (17)	169.09	+1.0	167.52	110.84	147.82	147.68	+0.8	1.31	167.46	165.24	109.30	147.01	146.57	169.29	131.16	149.09
Belgium (42)	150.65	+0.2	149.25	98.75	131.70	131.52	–0.4	4.36	150.36	148.37	98.13	131.99	132.01	156.76	131.19	145.95
Canada (108)	127.96	+0.6	126.78	83.88	111.86	122.22	+0.5	2.76	127.15	125.47	82.98	111.61	121.58	130.38	111.41	125.96
Denmark (33)	222.07	–0.6	220.01	145.57	194.14	208.18	–1.1	1.09	223.52	220.56	145.89	196.22	210.45	227.15	186.11	224.11
Finland (23)	114.44	–1.0	113.38	75.02	100.05	139.15	–0.9	0.87	115.56	114.03	75.42	101.44	140.36	118.56	65.50	81.17
France (97)	163.00	+1.1	161.49	106.84	142.48	149.70	+0.6	3.08	161.27	159.13	105.25	141.56	148.87	167.36	142.72	156.11
Germany (60)	*122.78*	*+0.8*	*121.63*	*80.49*	*107.33*	*107.33*	*+0.4*	*1.96*	*121.79*	*120.17*	*79.50*	*106.91*	*106.91*	*124.94*	*101.59*	*115.07*
Hong Kong (55)	289.32	–1.1	286.63	189.65	252.94	287.82	–1.1	3.40	292.55	288.67	190.93	256.83	291.05	301.61	218.82	219.19
Ireland (15)	170.01	–1.1	168.43	111.44	148.62	170.38	–1.5	3.27	171.98	169.70	112.24	150.97	173.03	171.98	129.28	158.52
Italy (70)	76.81	+0.2	76.10	50.35	67.15	91.45	+0.0	1.78	76.63	75.61	50.01	67.27	91.48	77.14	53.78	64.15
Japan (470)	157.26	–0.6	155.80	103.08	137.49	103.08	–0.1	0.80	158.14	156.05	103.21	138.84	103.21	165.91	100.75	102.39
Malaysia (69)	381.71	+0.7	378.16	250.20	333.68	374.73	+0.6	1.82	379.23	374.21	247.50	332.90	372.52	381.71	251.66	227.29
Mexico (19)	1757.05	+1.2	1740.72	1151.75	1536.03	5973.55	+1.2	0.83	1736.70	1713.68	1133.47	1524.55	5905.31	1757.05	1410.30	1259.94
Netherland (24)	180.16	+0.9	178.48	118.09	157.50	155.49	+0.5	3.47	178.50	176.14	116.50	156.70	154.71	180.16	150.39	164.63
New Zealand (13)	61.78	–1.0	61.21	40.50	54.01	59.37	–1.2	3.76	62.38	61.56	40.72	54.76	60.11	62.98	40.56	41.90
Norway (22)	169.71	–0.5	168.14	111.25	148.37	167.99	–0.6	1.57	170.54	168.28	111.30	149.71	169.03	177.31	137.71	136.40
Singapore (38)	278.80	–0.5	276.21	182.75	243.72	206.53	–0.6	1.67	280.22	276.50	182.89	245.98	207.71	281.13	207.04	186.18
South Africa (60)	198.78	+0.1	196.93	130.30	173.77	202.68	+0.1	2.55	198.63	196.00	129.63	174.36	202.53	215.29	144.72	188.69
Spain (43)	136.30	+2.4	135.04	89.35	119.16	139.30	+1.1	4.09	133.16	131.39	86.91	116.89	137.85	136.30	115.23	138.23
Sweden (36)	184.46	–0.6	182.75	120.92	161.26	219.76	–1.1	1.53	185.66	183.20	121.18	162.99	222.15	196.23	149.70	171.48
Switzerland (50)	135.01	+1.0	133.76	88.51	118.04	123.75	+0.5	1.75	133.67	131.90	87.25	117.36	123.19	135.01	108.91	111.87
United Kingdom (218)	186.01	–0.1	184.28	121.92	162.59	184.28	+0.3	3.80	186.26	183.79	121.55	163.49	183.79	189.35	162.00	179.60
USA (520)	187.93	+0.9	186.19	123.20	164.30	187.93	+0.9	2.72	186.21	183.74	121.53	163.47	186.21	187.93	175.38	167.57
Europe (750)	154.76	+0.4	153.32	101.45	135.30	147.72	+0.3	3.03	154.14	152.10	100.60	135.32	147.32	156.45	133.92	144.98
Nordic (114)	175.88	–0.7	174.25	115.29	153.76	184.02	–1.0	1.35	177.08	174.73	115.57	155.45	185.92	183.23	142.13	159.53
Pacific Basin (714)	161.09	–0.6	159.59	105.60	140.83	110.26	–0.2	1.07	162.02	159.87	105.75	142.23	110.46	168.80	105.69	106.87
Euro–Pacific (1464)	158.38	–0.2	156.91	103.81	138.45	125.36	+0.0	1.85	158.67	156.57	103.55	139.28	125.37	162.72	117.26	122.28
North America (628)	184.20	+0.9	182.49	120.76	161.06	183.45	+0.9	2.73	182.53	180.11	119.14	160.26	181.80	184.20	171.51	164.96
Europe Ex. UK (532)	135.06	+0.8	133.80	88.55	118.09	126.45	+0.3	2.51	134.03	132.26	87.50	117.69	126.11	135.92	112.51	123.97
Pacific Ex. Japan (244)	199.21	–0.7	197.36	130.61	174.17	184.78	–0.6	3.03	200.57	197.91	130.92	176.09	185.89	202.66	152.70	150.86
World Ex. US (1651)	158.78	–0.1	157.30	104.09	138.81	127.56	+0.0	1.88	159.00	156.90	103.78	139.59	127.53	162.78	118.51	123.79
World Ex. UK (1853)	*165.70*	*+0.3*	*164.16*	*108.62*	*144.87*	142.50	+0.4	2.02	*165.21*	163.02	107.83	145.04	141.97	167.77	134.22	133.64
World Ex. So. Af. (2111)	167.40	+0.3	165.84	109.74	146.35	145.77	+0.4	2.19	166.97	164.76	108.98	146.58	145.24	169.60	137.29	137.33
World Ex. Japan (1701)	174.95	+0.6	173.33	114.69	152.97	170.83	+0.6	2.83	173.86	171.55	113.48	152.64	169.84	174.95	157.47	157.49
The World Index (2171)	167.49	+0.3	165.94	109.80	146.44	146.26	+0.4	2.19	167.07	164.85	109.04	146.67	145.74	169.68	137.32	137.61

Latest prices were unavailable for this edition.

EUROPE

Paris opens new account in high spirits

ATTENTION focused even more firmly on today's Bundesbank meeting, *writes Our Markets Staff.*

PARIS started the new account in high spirits with a 1.7 per cent rise in the CAC-40 index, up 35.91 to 2,159.31.

Turnover remained solid at FFr3.9bn. The last trading account had seen very heavy turnover, with a daily average of FFr4.3bn, swelling to a record FFr11.5bn on July 31, the day after the crisis in the ERM was triggered. During the August account the CAC-40 index gained 6.5 per cent.

Société Générale was one of the most active stocks, assisted by its successful placing of 1.8m shares in Alcatel Cable, which crossed the market in early trading at FFr600 a share. The placing was equivalent to about 4 per cent of Alcatel Alsthom's holding in the company, now around 77 per cent.

SocGen closed up FFr17 at FFr642, Alcatel Alsthom rose FFr13 to FFr735 and Alcatel Cable lost FFr13 to FFr606.

Havas, up FFr12.40 at FFr467.20, attracted attention on reports that it might raise its stake in Canal Plus, the television group, whose shares advanced FFr4 to FFr1,267, but off the day's high of FFr1,294.

Euro Disney remained in the news with suggestions in the US that a new investor might come forward. The theme park's shares gained FFr1.50 to FFr57.50.

FRANKFURT firmed as favourable inflation data from two west German states lifted the domestic bond market, and enhanced interest rate hopes. The DAX index rose 20.09 to 1,917.78, as turnover rose from DM6.2bn to DM6.6bn.

Among blue chips, MAN, the truckmaker and engineering group, rose DM10.50 to DM332 after a two-day fall of DM9.50 on poor half-year results earlier this week. Mr Nigel Longley, an institutional adviser with Commerzbank, said that some traders were taking the view that all of the bad news was out of the way.

Daimler gained DM9.30 to DM731.80 on the additional 14,000 job cuts at Mercedes, analysts reworking 1994 earnings forecasts ahead of the 1993 half-year results.

FT-SE Actuaries Share Indices

August 25 THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1305.71	1306.81	1306.82	1307.25	1308.09	1308.97	1309.33	1310.93
FT-SE Eurotrack 200	1383.39	1383.98	1385.08	1386.44	1389.02	1387.33	1386.37	1385.62

	Aug 24	Aug 23	Aug 20	Aug 19	Aug 18
FT-SE Eurotrack 100	1296.82	1291.83	1297.31	1304.07	1303.09
FT-SE Eurotrack 200	1375.46	1374.00	1380.12	1385.51	1387.63

Base value 1000 (26/10/90) High/day: 100 - 1311.19; 200 - 1389.35 Low/day: 100 - 1305.66 200 - 1382.80.

Meanwhile, Commerzbank showed a relative fall, unchanged at DM315.50 following a warning by Moody's late on Tuesday that it was reviewing the large German bank for a possible downgrade on its debt rating.

AMSTERDAM noted some positive rises in most internationals, helped by Wall Street's record close on Tuesday. The CBS Tendency index put on 1.2 at 129.0.

The publishing sector again featured, with Wolters Kluwer, popular since its good first half profits on Tuesday, adding Fl 1.50 to Fl 100.50, up some 25 per cent this year.

Gist Brocades, the biotechnology group, built on Tuesday's advance after releasing satisfactory first half figures, the shares rising Fl 1.60 to Fl 49.20. Pakhoed, the storage and transport group which is due to release first half figures today, was quoted 30 cents higher at Fl 44.10.

MADRID gained from an extended rally in the bond market, and on interest rate hopes as the general index, 3.97 higher at 297.81, registered its second consecutive high for the year. Turnover shot up from Pta24.7bn to Pta34.5bn.

Interest rate-sensitive companies, such as banks and electricity utilities, were among the main winners, Argentaria putting on Pta130 to Pta6,000 and Endesa Pta170 to Pta5,360.

ZURICH saw foreign buying in blue chips as the SMI index closed 30.0 higher at 2,502.4. Nestlé benefited with a SFr17 rise to SFr1,117.

In banks, SBC rose SFr9 to SFr497 ahead of next week's results; and a higher dollar lent support to pharmaceuticals, where Ciba-Geigy certificates put on SFr9 to SFr707.

MILAN remained fairly strong with foreign activity noted particularly in the banking sector, as well as in some other stocks which have underperformed the market recently.

The Comit index finished up 1.57 at 617.25, although more than two hours was lost due to a technical failure in the electronic dealing system.

Among the banks, Mediobanca was one of the day's best performers, putting on L553 or 3 per cent to L17,965.

OSLO featured a 5 per cent gain in shipping stocks as the All-share index rose 10.35 to 568.9. HELSINKI saw an 11.4 per cent drop in the bank shares index, and profit-taking was blamed as the Hex index fell 34.7, or 2.4 per cent to 1,416.0.

Foreign investors return to Indian equities

R C Murthy in Bombay and Stefan Wagstyl in New Delhi on the market's recent rally

Almost a year after winning permission to invest in Indian stock markets, foreign fund managers have started to put serious money into equities.

In the past six weeks, about $450m in foreign institutional funds has flowed into Indian equities, $300m of it in the past two weeks. The inflow has triggered the sharpest rally in the market since last year's financial scandal involving banks and brokers brought the 1991-92 bull run to an end.

From the end of July to last weekend, the BSE index rose 27.5 per cent. Earlier this week stock prices began to slip back on profit-taking, and yesterday fell 3 per cent to 2,655 on reports that forward trading in shares might be banned.

However, while the market was one of the world's best emerging market performers last week with a 10 per cent advance in dollar terms, according to data supplied by the IFC, an affiliate of the World Bank, it remains barely changed on the year to date.

Nevertheless, there is no mistaking the change in mood: the financial scandal is now seen as a thing of the past.

Furthermore, foreign and domestic investors seem more confident than they were even three months ago about the country's economic outlook.

The turning point was the defeat on July 28 of a no-confidence motion in the government of Mr PV Narasimha Rao, the prime minister, who was under pressure from his political opponents to refute allegations that he received money from Mr Harshad Mehta, a broker deeply embroiled in last year's scandal. Investors breathed a sigh of relief as the threat to political stability disappeared, at least temporarily.

They also welcomed signs of improved performance in the Indian economy, especially a sharp increase in exports which closed the trade deficit in the first three months of the current financial year (April-June 1993) to just $300m, down from $1.6bn a year ago.

The monsoon rains, crucial to India's agrarian-based economy, have also been good in most parts of the country.

The rise in equities has been accompanied by a five-fold increase in daily turnover in the past month – from Rs800m to Rs4bn ($25m to $127m). Brokers say this indicates the rally is broadly based and involves a large number of investors.

Brokers in Bombay suggest that a major reason for the upsurge in foreign inward investment is a growing fear among international investors that the Chinese economy may be overheating. For investors seeking to place funds in a large developing country, India is an alternative to China, they say.

However, Marlin Partners, a Bombay investment company, warns that the rally may not last because further price increases would rapidly trigger a surge in primary issues.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

		Dollar terms			Local currency terms		
Market	No. of stocks	Aug 20 1993	% Change over week	% Change on Dec '92	Aug 20 1993	% Change over week	% Change on Dec '92
Latin America							
Argentina	(11)	662.75	+6.9	+14.2	406,879.17	+6.9	+14.5
Brazil	(44)	201.81	+12.0	+61.4	23,701,388.57	+19.4	+1036.5
Chile	(20)	429.66	+1.5	+2.7	702.38	+1.7	+9.5
Colombia[1]	(8)	443.11	+3.6	+4.2	632.25	+3.8	+3.4
Mexico	(56)	726.08	+3.1	+7.4	873.87	+3.1	+7.2
Venezuela[2]	(8)	478.58	-4.0	-7.9	1,019.20	-3.3	+9.2
East Asia							
South Korea[3]	(130)	100.02	+8.5	+1.9	106.57	+8.6	+4.7
Philippines	(11)	168.73	+3.0	+26.4	223.10	+1.5	+38.0
Taiwan, China[4]	(76)	84.14	-2.4	+14.0	84.30	-2.3	+20.9
South Asia							
India[5]	(61)	93.61	+10.0	-0.1	103.52	+10.0	+8.4
Indonesia[6]	(31)	86.16	+2.4	+50.2	100.20	+2.4	+52.3
Malaysia	(61)	224.61	+3.3	+37.3	211.56	+3.3	+34.1
Pakistan[7]	(8)	228.51	-0.7	+14.2	308.73	-0.7	+33.2
Thailand	(52)	265.04	-1.2	+15.0	264.66	-1.4	+13.6
Euro/Mid East							
Greece	(17)	247.96	-2.2	+27.0	394.38	-4.1	+38.5
Jordan	(5)	152.20	-3.3	+30.3	217.91	-3.3	+31.4
Portugal	(16)	102.11	+7.8	+32.4	119.17	+3.8	+52.9
Turkey[8]	(31)	135.78	+11.1	+103.1	+738.18	+12.3	+175.2

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Jan 5 1990; (3)Jan 3 1992; (4)Jan 4 1991; (5)Nov 6 1992; (6)Sep 28 1990; (7)Mar 1 1991; (8)Aug 4 1989